Wednesday, May 16, 2018

9:00 a.m. Central Daylight Time

3000 N. Sam Houston Parkway East
Life Center - Auditorium
Houston, Texas 77032

HALLIBURTON

2018

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

2018 PROXY STATEMENT

2017 ANNUAL REPORT ON FORM 10-K

To Our Valued Stockholders:

April 3, 2018

David J. Lesar
Executive Chairman
of the Board

Jeffrey A. Miller
President and Chief
Executive Officer

> ***"We are optimistic and enthusiastic about 2018"***

On behalf of our Board of Directors, we thank you for your investment and continued confidence in our Company. Last year was one of transition for Halliburton. We started down the path of a successful recovery from one of the steepest industry downturns. And on June 1, 2017, following our vigorous management succession plan, our Board unanimously selected Jeff Miller to succeed Dave Lesar as chief executive officer. Mr. Lesar, having led the Company for nearly 17 years, continues to serve Halliburton and our valued stockholders, customers, and employees as executive chairman of the Board.

We are pleased with Halliburton's accomplishments in 2017 and the progress we made in executing our strategy to deliver industry-leading returns by doing what we do best – collaborating and engineering solutions to maximize asset value for our customers. Thanks to the exceptional performance and commitment of Halliburton's over 50,000 employees, we were the first major energy services company to return to profitability in North America and we continued to outperform our peers with industry-leading returns and generated strong cash flow. As the international market worked its way through its own downturn, Halliburton gained market share in key regions by focusing on the most active markets while maintaining a presence in other areas that will serve us well going forward.

We are optimistic and enthusiastic about 2018. As the macro environment for oil continues to improve, our North America customers are back to work driving what we believe will be strong growth in our unconventionals activity. We also expect the start of an international recovery in mature fields, although deepwater will remain a challenge. Our collaborative approach and differentiating technologies enable us to deliver the most efficient wells for our customers no matter the geography. These, along with our comprehensive service offerings and diligent cost control efforts which enhance both our value proposition and business opportunities, position us well for the continuing recovery in North America and the future recovery of the international market.

As we continue to serve our customers in this evolving environment, we know we have the right leadership, employees, and strategy to guide our Company forward. Halliburton is the execution company. We will continue to deliver superior performance for our stockholders, customers, and employees.

We are pleased to invite you to attend the Annual Meeting of Stockholders of Halliburton Company. The meeting will be held on Wednesday, May 16, 2018, at 9 a.m. Central Daylight Time at our corporate office at 3000 N. Sam Houston Parkway East, Life Center-Auditorium, Houston, Texas 77032.

Please refer to the proxy statement for detailed information on the proposals presented this year.

The representation of your shares and your vote at the meeting are very important. We encourage you to review the proxy materials and submit your vote today. If you attend the meeting, you may vote in person even if you have previously voted.

We appreciate the important role that our stockholders play in our success and are grateful for your continued trust and support. We look forward to greeting you at our Annual Meeting.

Sincerely,

David J. Lesar
Executive Chairman of the Board

Jeffrey A. Miller
President and Chief Executive Officer

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Proxy Statement Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find further information in this proxy statement.

Eligibility to Vote (page 1)

You can vote if you were a stockholder of record at the close of business on March 19, 2018.

How to Cast Your Vote (page 1)

You can vote by any of the following methods:

INTERNET	BY TELEPHONE	BY MAIL	IN PERSON
www.proxyvote.com **until 11:59 p.m.** Eastern Daylight Time on May 15, 2018	**until 11:59 p.m.** Eastern Daylight Time on May 15, 2018	Completing, signing, and returning your proxy or voting instruction card **before May 16, 2018**	at the annual meeting: If you are a stockholder of record, we have a record of your ownership. If your shares are held in the name of a broker, nominee, or other intermediary, you must bring proof of ownership with you to the meeting. Attendees will be asked to present valid picture identification, such as a driver's license or passport.

Selection of Principal Independent Public Accountants (page 20)

During the year ended December 31, 2017, KPMG LLP served as our principal independent public accountants and provided certain tax and other services to us. Representatives of KPMG are expected to be present at the Annual Meeting and be available to respond to appropriate questions from stockholders.

As a matter of good corporate governance, we are requesting our stockholders to ratify the selection of KPMG LLP as our principal independent public accountants for the year ending December 31, 2018.

Voting Matters (pages 9, 20, 23)

	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	**FOR** Each Nominee	9
Ratification of Selection of Principal Independent Public Accountants	**FOR**	20
Advisory Approval of Executive Compensation	**FOR**	23

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Corporate Governance

- Corporate Governance Guidelines and Committee Charters
- Code of Business Conduct
- Related Persons Transactions Policy

The Board of Directors and Standing Committees of Directors

- Board Leadership
- Board Risk Oversight
- Independent Committees
- Members of the Committees of Our Board of Directors
- Board Attendance
- Evaluation of Board and Director Performance
- Stockholder Nominations of Directors
- Qualifications of Directors
- Process for the Selection of New Directors
- Communication to the Board

We create success for Halliburton and for our stockholders and customers by adhering to the values that define us.

Values

Integrity
Ethics and integrity are the foundation of our brand and the guiding principles for all we do.

Safety
We are focused on our own personal safety as well as the safety of others.

Collaboration
We work together with customers and understand that everyone has a role in providing the best solution.

Respect
We are honest with ourselves and each other. We value our diverse skills and talents, and know we are stronger together as one family.

Reliability
We deliver what we promise. We believe the quality of our service defines who we are.

Creativity
We are resourceful. We are innovative and strive to apply the right technology and solution every time.

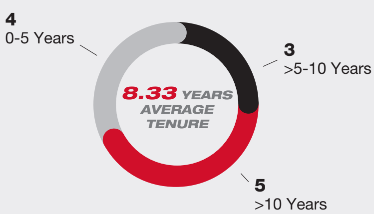
Competition
We compete to win. We know that competition makes everyone stronger.

Board Nominees (pages 9-13)

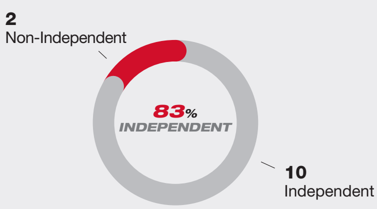
Director Highlights

12 Director Nominees

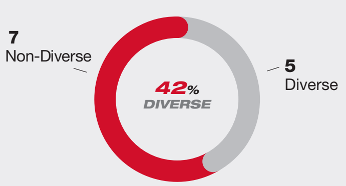
Tenure Balance



Independence



Diversity



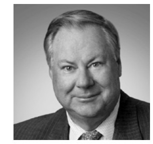
Director Experience

Energy Industry	11
Accounting/Finance	11
Technology/Engineering	11
Strategic Planning	12
International Business	10
Health, Safety & Environment and Sustainability	10

Abdulaziz F. Al Khayyal
Retired Senior Vice President, Industrial Relations, Saudi Aramco
Age: 64
Director since 2014
INDEPENDENT
Committees:

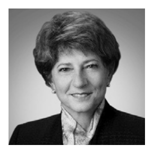
William E. Albrecht
Non-Executive Chairman of the Board of California Resources Corporation
Age: 66
Director since 2016
INDEPENDENT
Committees:

Alan M. Bennett
Retired President and CEO of H&R Block, Inc.
Age: 67
Director since 2006
INDEPENDENT
Committees:

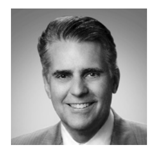


James R. Boyd
Retired Chairman of the Board of Arch Coal, Inc.
Age: 71
Director since 2006
INDEPENDENT
Committees:

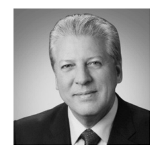
Milton Carroll
Executive Chairman of the Board of CenterPoint Energy, Inc.
Age: 67
Director since 2006
INDEPENDENT
Committees:



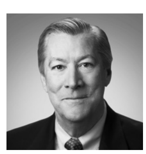
Nance K. Dicciani
Non-Executive Chair of the Board of AgroFresh Solutions, Inc.
Age: 70
Director since 2009
INDEPENDENT
Committees:



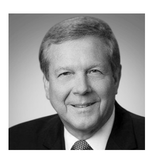
Murry S. Gerber
Retired Executive Chairman of the Board of EQT Corporation
Age: 65
Director since 2012
INDEPENDENT
Committees:



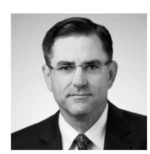
José C. Grubisich
Managing Partner of Olímpia Investimentos e Participações
Age: 61
Director since 2013
INDEPENDENT
Committees:



David J. Lesar
Executive Chairman of the Board of Halliburton
Age: 64
Director since 2000
NOT INDEPENDENT
Committees:
None



Robert A. Malone
Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc.
Age: 66
Director since 2009
INDEPENDENT
Committees:



Jeffrey A. Miller
President and CEO of Halliburton
Age: 54
Director since 2014
NOT INDEPENDENT
Committees:
None

Debra L. Reed
Chairman of the Board and CEO of Sempra Energy
Age: 61
Director since 2001
INDEPENDENT
Committees:

☆ Chair ● Audit ● Compensation ● Health, Safety and Environment ● Nominating and Corporate Governance

2017 Overview (page 28)

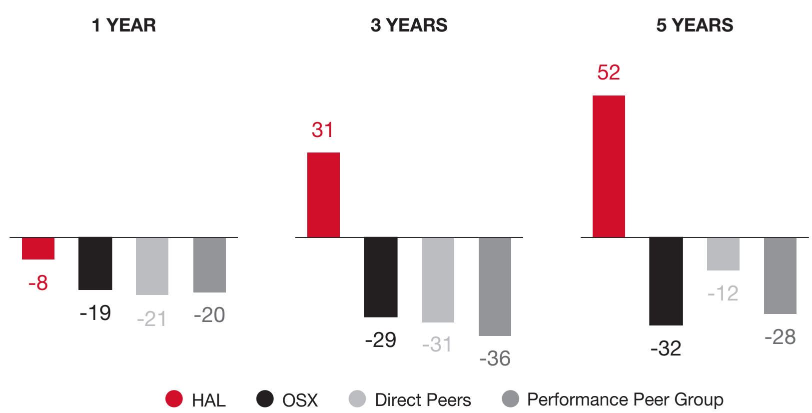
(For more detail please see Form 10-K.)

Our business strengthened during 2017. We grew our global market share and moved quickly to reactivate equipment in North America to meet customer demand and enhance overall margins. We continued to focus on cost efficiencies and aligning our business with customers in the fastest growing market segments to collaborate and engineer solutions to maximize their asset value.

The diligence of the senior leadership team and remarkable execution by our employees worldwide, combined with the rigorous goals set by the Board of Directors to keep management focused on creating long-term value for our stockholders, drove exceptional results for the 2017 performance year:

- We generated $20.6 billion of total company revenue, a 30% increase from 2016, with our Completion and Production segment improving 47% and our Drilling and Evaluation segment improving 8%. These results were primarily driven by increased activity, utilization, and pricing in the U.S. land market associated with stimulation, well completion, and drilling services.
- We improved our North America and Completion and Production operating margins by over 1,000 basis points from 2016 levels, continuing to execute on our strategy of achieving normalized margins.
- We acquired three businesses, Summit ESP, Ingrain Inc., and Optimization Petroleum Technology. The addition of these three businesses strengthen our artificial lift, wireline, and Landmark portfolios for our global customers.
- We continued to focus on cash flow execution, generating approximately $2.5 billion in operating cash flow, retiring $1.4 billion in debt, and maintaining our dividend rate with a total payment of approximately $626 million in dividends to our stockholders.
- We delivered superior TSR over the one-, three-, and five-year periods ending December 31, 2017, relative to our direct peers, the Oilfield Services Index (OSX), and our performance peer group. The details are depicted in the chart below:

Total Stockholder Return (TSR)
(In percentages)



Named Executive Officers (page 24)

For 2017, our NEOs were:

Name	Age	Occupation
Jeffrey A. Miller	54	President and Chief Executive Officer
Christopher T. Weber	45	Executive Vice President and Chief Financial Officer
James S. Brown	63	President - Western Hemisphere
Lawrence J. Pope	50	Executive Vice President, Administration and Chief Human Resources Officer
Joe D. Rainey	61	President - Eastern Hemisphere
Robb L. Voyles	60	Executive Vice President, Secretary and General Counsel
David J. Lesar	64	Executive Chairman of the Board
Mark A. McCollum(1)	59	Former Executive Vice President and Chief Financial Officer

(1) Effective as of March 6, 2017, Mr. McCollum resigned his position as our Chief Financial Officer and as an employee.

Executive Compensation (pages 23-56)

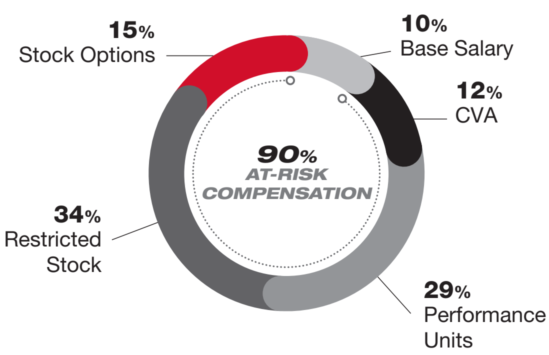
Objectives (page 29)

Our executive compensation program is composed of base salary, a short-term incentive, and long-term incentives, and is designed to achieve the following objectives:

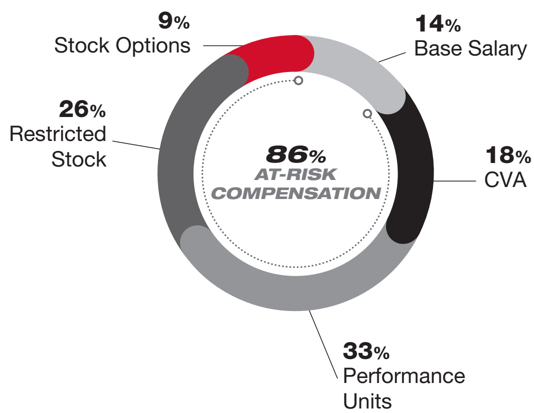
- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive stockholder value;
- Support our business strategies; and
- Maximize the return on our human resource investment.

2017 Executive Total Compensation Mix (page 30)

CEO Compensation Mix



Other NEO Compensation Mix(1)



(1) Reflects the compensation mix of NEOs other than Mr. McCollum who resigned his position as Chief Financial Officer and as an employee on March 6, 2017.

Notice of Annual Meeting of Stockholders to be held May 16, 2018

April 3, 2018

Halliburton Company, a Delaware corporation, will hold its Annual Meeting of Stockholders on Wednesday, May 16, 2018, at 9:00 a.m. Central Daylight Time at its corporate office at 3000 N. Sam Houston Parkway East, Life Center - Auditorium, Houston, Texas 77032.

At the meeting, the stockholders will be asked to consider and act upon the matters discussed in the attached proxy statement as follows:

1. To elect the twelve nominees named in the attached proxy statement as Directors to serve for the ensuing year and until their successors shall be elected and shall qualify.
2. To consider and act upon a proposal to ratify the appointment of KPMG LLP as principal independent public accountants to examine the financial statements and books and records of Halliburton for the year ending December 31, 2018.
3. To consider and act upon advisory approval of our executive compensation.
4. To transact any other business that properly comes before the meeting or any adjournment or adjournments of the meeting.

These items are fully described in the following pages, which are made a part of this Notice. The Board of Directors has set the close of business on March 19, 2018, as the record date for the determination of stockholders entitled to notice of and to vote at the meeting and at any adjournment of the meeting.

Internet Availability of Proxy Materials

On or about April 3, 2018, we mailed our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2018 proxy statement and 2017 Annual Report on Form 10-K and how to vote online. The notice also provides instruction on how you can request a paper copy of these documents if you desire. If you received your annual materials via email, the email contains voting instructions and links to the proxy statement and Form 10-K on the Internet.

If You Plan to Attend

Attendance at the meeting is limited to stockholders and one guest each. Admission will be on a first-come, first-served basis. Registration will begin at 8:00 a.m., and the meeting will begin at 9:00 a.m. Each stockholder holding stock in a brokerage account will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Please note that you will be asked to present valid picture identification, such as a driver's license or passport.

By order of the Board of Directors,

Robb L. Voyles
Executive Vice President, Secretary and General Counsel

You are urged to vote your shares as promptly as possible by following the voting instructions in the Notice of Internet Availability of Proxy Materials.

General Information

We are providing these proxy materials to you in connection with the solicitation by the Board of Directors of Halliburton Company of proxies to be voted at our 2018 Annual Meeting of Stockholders and at any adjournment or postponement of the meeting. By executing and returning the enclosed proxy, by following the enclosed voting instructions, or by voting via the Internet or by telephone, you authorize the persons named in the proxy to represent you and vote your shares on the matters described in the Notice of Annual Meeting.

The Notice of Internet Availability of Proxy Materials is being sent to stockholders on or about April 3, 2018. Our Annual Report on Form 10-K, including financial statements, for the fiscal year ended December 31, 2017, accompanies this proxy statement. The Annual Report on Form 10-K shall not be considered as a part of the proxy solicitation materials or as having been incorporated by reference.

Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting and each may be accompanied by one guest. Admission to the Annual Meeting will be on a first-come, first-served basis. Registration will begin at 8:00 a.m. and the Annual Meeting will begin at 9:00 a.m. Please note that we will ask you to present valid picture identification, such as a driver's license or passport, when you check in at the registration desk.

If you hold your shares in "street name" (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date.

You may not bring cameras, recording equipment, electronic devices, large bags, briefcases, or packages into the Annual Meeting.

If you attend the Annual Meeting, you may vote in person. If you are not present, you can only vote your shares if you have voted via the Internet, by telephone, or returned a properly executed proxy; in these cases, your shares will be voted as you specify. If you return a properly executed proxy and do not specify a vote, your shares will be voted in accordance with the recommendations of the Board. You may revoke the authorization given in your proxy at any time before the shares are voted at the Annual Meeting.

The record date for determination of the stockholders entitled to vote at the Annual Meeting is the close of business on March 19, 2018. Our common stock, par value $2.50 per share, is our only class of capital stock that is outstanding. As of March 19, 2018, there were 875,150,051 shares of our stock outstanding. Each outstanding share of common stock is entitled to one vote on each matter submitted to the stockholders for a vote at the Annual Meeting. We will keep a complete list of stockholders entitled to vote at our principal executive office for ten days before, and will have the list available at, the Annual Meeting. Our principal executive office is located at 3000 N. Sam Houston Parkway East, Administration Building, Houston, Texas 77032.

Votes cast by proxy or in person at the Annual Meeting will be counted by the persons we appoint to act as election inspectors for the Annual Meeting. Except as set forth below, the affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter will be the act of the stockholders. Shares for which a stockholder has elected to abstain on a matter will count for purposes of determining the presence of a quorum and, except as set forth below, will have the effect of a vote against the matter.

Each Director shall be elected by the vote of the majority of the votes cast by holders of shares represented in person or by proxy and entitled to vote in the election of Directors, provided that if the number of nominees exceeds the number of Directors to be elected and all stockholder-proposed nominees have not been withdrawn before the tenth (10th) day preceding the day we mail the Notice of Internet Availability of Proxy Materials to stockholders for the Annual Meeting, the Directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at the Annual Meeting and entitled to vote on the election of Directors. A majority of the votes cast means that the number of shares voted "for" a Director must exceed the number of votes cast "against" that Director; we will not count abstentions. As a condition to being nominated by the Board for continued service as a Director, each Director nominee has signed and delivered to the Board an irrevocable letter of resignation limited to and conditioned on that Director failing to achieve a majority of the votes cast at an election where Directors are elected by majority vote. For any Director nominee who fails to be elected by a majority of votes cast, where Directors are elected by majority vote, his or her irrevocable letter of resignation will be deemed tendered on the date the election results are certified. Such resignation shall only be effective upon acceptance by the Board.

The election inspectors will treat broker non-vote shares, which are shares held in street name that cannot be voted by a broker on specific matters in the absence of instructions from the beneficial owner of the shares, as shares that are present and entitled to vote for purposes of determining the presence of a quorum. In determining the outcome of any matter for which the broker does not have discretionary authority to vote, however, those shares will not have any effect on that matter. A broker may be entitled to vote those shares on other matters.

In accordance with our confidential voting policy, no particular stockholder's vote will be disclosed to our officers, Directors, or employees, except:

- as necessary to meet legal requirements and to assert claims for and defend claims against us;
- when disclosure is voluntarily made or requested by the stockholder;
- when the stockholder writes comments on the proxy card; or
- in the event of a proxy solicitation not approved and recommended by the Board.

The proxy solicitor, the election inspectors, and the tabulators of all proxies, ballots, and voting tabulations are independent and are not our employees.

Corporate Governance

Corporate Governance Guidelines and Committee Charters

Our Board has long maintained a formal statement of its responsibilities and corporate governance guidelines to ensure effective governance in all areas of its responsibilities. Our Corporate Governance Guidelines, which were revised in December 2017, are available on our website at *www.halliburton.com* by clicking on the tab "About Us", and then the "Corporate Governance" link. The guidelines are reviewed periodically and revised as appropriate to reflect the dynamic and evolving processes relating to corporate governance, including the operation of the Board.

In order for our stockholders to understand how the Board conducts its affairs in all areas of its responsibility, the full text of the charters of our Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees are also available on our website.

Except to the extent expressly stated otherwise, information contained on or accessible from our website or any other website is not incorporated by reference into and should not be considered part of this proxy statement.

Code of Business Conduct

Our Code of Business Conduct, which applies to all of our employees and Directors and serves as the code of ethics for our principal executive officer, principal financial officer, principal accounting officer or controller, and other persons performing similar functions, is available on our website. Any waivers to our Code of Business Conduct for our Directors or executive officers can only be made by our Audit Committee. There were no waivers of the Code of Business Conduct in 2017.

Related Persons Transactions Policy

Our Board has adopted a written policy governing related persons transactions as part of the Board's commitment to good governance and independent oversight. The policy covers transactions involving any of our Directors, executive officers, nominees for Director, greater than 5% stockholders, or any of their immediate family members, among others.

The types of transactions covered by this policy are transactions, arrangements, or relationships, or any series of similar transactions, arrangements, or relationships, including any indebtedness or guarantee of indebtedness, in which (1) we or any of our subsidiaries were or will be a participant, (2) the aggregate amount involved exceeds $120,000 in any calendar year, and (3) any related person had, has, or will have a direct or indirect material interest.

Under the policy, we generally only enter into or ratify related persons transactions when the Board determines such transactions are in our best interests and the best interests of our stockholders. In determining whether to approve or ratify a related persons transaction, the Board will consider the following factors and other factors it deems appropriate:

- whether the related persons transaction is on terms comparable to terms generally available with an unaffiliated third party under the same or similar circumstances;
- the benefits of the transaction to us;
- the extent of the related person's interest in the transaction; and
- whether there are alternative sources for the subject matter of the transaction.

The Board of Directors and Standing Committees of Directors

The Board has standing Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees. Each standing committee is comprised of Directors who, in the business judgment of the Board, are independent, after considering all relevant facts and circumstances, including the independence standards set forth in our Corporate Governance Guidelines.

Our independence standards meet NYSE independence requirements. Our independence standards and compliance with those standards are periodically reviewed by the Nominating and Corporate Governance Committee. In connection with its independence determination, the Board considered that during 2017, we provided services in the ordinary course of business to Sempra Energy, of which Ms. Reed is the Chairman and Chief Executive Officer. The Board concluded that the relationship was not material and did not affect the independence of Ms. Reed. There were no relevant transactions, relationships, or arrangements not disclosed in this proxy statement that were considered by the Board in making its determination as to the independence of the Directors.

Board Leadership

Our Board believes that it is important to maintain flexibility to determine the appropriate leadership of the Board and whether the roles of Chairman and Chief Executive Officer should be combined or separate. Our Corporate Governance Guidelines provide that the Board consider annually whether it is appropriate for the same individual to fill both of those roles. When making that determination, the Board considers issues such as industry and financial expertise, in-depth knowledge of Halliburton and its business, and succession planning. Currently, the positions of Chairman and Chief Executive Officer are held by separate persons. Jeffrey A. Miller was named President and Chief Executive Officer of Halliburton on June 1, 2017. Mr. Miller's promotion was the result of vigorous management succession planning by the Board. Mr. Miller succeeded David J. Lesar, who will continue to serve as Executive Chairman. In this role, Mr. Lesar will continue to focus on leadership of the Board and the strategic direction of the Company, actively engage with stockholders, and advise the Halliburton management team. The Board believes that this leadership structure, along with the role of the Lead Independent Director, is optimal at this time for Halliburton and its stockholders.

J. Landis Martin, who has served as our Lead Independent Director since 2008, is retiring from the Board on May 16, 2018. The Board intends to elect a new Lead Independent Director subsequent to the Annual Meeting. The Lead Independent Director's role and responsibilities are set forth in the Lead Independent Director Charter adopted by the Board and include presiding over the executive sessions of the non-management Directors. Our Lead Independent Director Charter is available on our website at *www.halliburton.com*. With the exception of our Chairman, Mr. Lesar, and our President and Chief Executive Officer, Mr. Miller, the Board is composed of independent Directors.

Board Risk Oversight

We have implemented an Enterprise Risk Management system to identify and analyze enterprise-level risks and their potential impact on us. At least annually, the Audit Committee of the Board receives a report on risk assessment and risk management. In addition, each of the Board's Committees evaluates and monitors the risks within its areas of responsibility. Our executive officers are assigned responsibility for the various categories of risk. Our Chief Executive Officer, who is primarily responsible for managing our day-to-day business, is ultimately responsible to the Board for all risk categories.

Halliburton Board Leadership

- David J. Lesar is our Executive Chairman
- The Board will elect a new Lead Independent Director subsequent to the Annual Meeting
- 11 of our 13 Directors are independent

All members of the Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees are independent

Independent Committees

The Board believes that it has a strong governance structure in place to ensure independent oversight on behalf of all stockholders. All standing committees of the Board are comprised solely of independent Directors. We have established processes for the effective oversight of critical issues entrusted to independent Directors, such as:

- the integrity of our financial statements;
- CEO and senior management compensation;
- CEO and senior management succession planning;
- the election of our Lead Independent Director;
- membership of our independent Board committees;
- Board, Committee, and Director evaluations; and
- nominations of Directors.

Members of the Committees of Our Board of Directors

Audit Committee	Compensation Committee	Health, Safety and Environment Committee	Nominating and Corporate Governance Committee
Alan M. Bennett*	William E. Albrecht	Abdulaziz F. Al Khayyal	Abdulaziz F. Al Khayyal
James R. Boyd	James R. Boyd*	William E. Albrecht	Alan M. Bennett
Nance K. Dicciani	Milton Carroll	Nance K. Dicciani	Milton Carroll
Murry S. Gerber	Murry S. Gerber	José C. Grubisich	J. Landis Martin
José C. Grubisich	Robert A. Malone	Robert A. Malone*	Debra L. Reed*
	Debra L. Reed	J. Landis Martin	

* *Chair*

Audit Committee

Attendance	Committee Members	Responsibilities
Meetings in 2017: 8	Alan M. Bennett *(Chair)* James R. Boyd Nance K. Dicciani Murry S. Gerber José C. Grubisich	• Recommending to the Board the appointment of the independent public accounting firm to audit our financial statements (the principal independent public accountants); • Together with the Board, being responsible for the appointment, compensation, retention, oversight of the work, and evaluation of the principal independent public accountants; • Reviewing the scope of the principal independent public accountants' examination and the scope of activities of the internal audit department; • Reviewing our significant financial policies and accounting systems and controls; • Reviewing financial statements; and • Approving the services to be performed by the principal independent public accountants. The Board has determined that Alan M. Bennett, James R. Boyd, Nance K. Dicciani, Murry S. Gerber, and José C. Grubisich are independent under our Corporate Governance Guidelines and are "audit committee financial experts" as defined by the Securities and Exchange Commission, or SEC. A copy of the Audit Committee Charter is available on our website at *www.halliburton.com*.

Compensation Committee

Attendance	Committee Members	Responsibilities
Meetings in 2017: 6	William E. Albrecht James R. Boyd *(Chair)* Milton Carroll Murry S. Gerber Robert A. Malone Debra L. Reed	• Developing an overall executive compensation philosophy and strategy; • Overseeing the effectiveness of our compensation program in attracting, retaining, and motivating key employees; • Utilizing our compensation program to reinforce business strategies and objectives to enhance stockholder value; • Administering our compensation program, including our incentive plans, in a fair and equitable manner consistent with established policies and guidelines; and • Additional roles and activities with respect to executive compensation as described under Compensation Discussion and Analysis. A copy of the Compensation Committee Charter is available on our website at *www.halliburton.com*.

Health, Safety and Environment Committee

Attendance	Committee Members	Responsibilities
Meetings in 2017: 5	Abdulaziz F. Al Khayyal William E. Albrecht Nance K. Dicciani José C. Grubisich Robert A. Malone *(Chair)* J. Landis Martin	• Reviewing and assessing our health, safety, environmental, and sustainable development policies and practices; • Overseeing the communication, implementation, and compliance with these policies, as well as applicable goals and legal requirements; and • Assisting the Board with oversight of our risk-management processes relating to health, safety, the environment, and sustainability. A copy of our Health, Safety and Environment Committee Charter is available on our website at *www.halliburton.com*.

Nominating and Corporate Governance Committee

Attendance	Committee Members	Responsibilities
Meetings in 2017: 4	Abdulaziz F. Al Khayyal Alan M. Bennett Milton Carroll J. Landis Martin Debra L. Reed *(Chair)*	• Reviewing and recommending revisions to our Corporate Governance Guidelines; • Overseeing our Director self-evaluation process and performance reviews; • Identifying and screening candidates for Board and committee membership; • Reviewing the overall composition profile of the Board for the appropriate mix of skills, characteristics, experience, and expertise; and • Reviewing and making recommendations on Director compensation. A copy of our Nominating and Corporate Governance Committee Charter is available on our website at *www.halliburton.com*.

Board Attendance

During 2017, the Board held 6 meetings and met in Executive Session, without management present, on 5 occasions.

Committee meetings were held as follows:

Audit Committee	8
Compensation Committee	6
Health, Safety and Environment Committee	5
Nominating and Corporate Governance Committee	4

Nine members of the Board attended 100% of the total number of meetings of the Board and the committees on which he or she served during 2017 and all members of the Board attended at least 79% of those meetings.

All of our Directors attended the 2017 Annual Meeting, as required by our Corporate Governance Guidelines.

Evaluation of Board and Director Performance

The Nominating and Corporate Governance Committee annually reviews and evaluates the performance of the Board in order to improve the effectiveness of the Board. The Committee assesses the Board's contribution as a whole and identifies areas in which improvements may be made. In addition, each Committee conducts an annual self-evaluation. The results of the evaluations are reviewed and discussed with the Board and its Committees.

The Nominating and Corporate Governance Committee also annually reviews the individual performance and qualifications of each Director who wishes to be considered for nomination for reelection to the Board.

Stockholder Nominations of Directors

Our By-laws provide that stockholders may nominate persons for election to the Board at a meeting of stockholders. In September 2016, our Board of Directors amended our By-laws to implement proxy access.

Stockholder nominations require written notice to the Corporate Secretary at the address of our principal executive offices set forth on page 1 of this proxy statement, and for the Annual Meeting of Stockholders in 2019, must be received not less than 90 days nor more than 120 days prior to the anniversary date of the 2018 Annual Meeting of Stockholders, or no later than February 15, 2019, and no earlier than January 16, 2019. The stockholder notice must contain, among other things, certain information relating to the stockholder and the proposed nominee as described in our By-laws. In addition, the proposed nominee may be required to furnish other information as we may reasonably require to determine the eligibility of the proposed nominee to serve as a Director.

The proxy access provision permits up to 20 stockholders owning 3% or more of our outstanding common stock continuously for at least three years to nominate and include in our proxy materials for a meeting of stockholders up to two directors or 20% of the Board, whichever is greater, provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in the By-laws.

Our By-laws further provide that if a stockholder owning at least 1% of our issued and outstanding common stock continuously for at least one year as of the date the written notice of the nomination is submitted to us, proposes a nominee not submitted under the proxy access provision, our Corporate Secretary will (i) obtain from such nominee any additional relevant information the nominee wishes to provide in consideration of his or her nomination, (ii) report on each such nominee to the Nominating and Corporate Governance Committee, and (iii) facilitate having each such nominee meet with the Nominating and Corporate Governance Committee as the Committee deems appropriate.

Qualifications of Directors

Candidates nominated for election or reelection to the Board should possess the following qualifications:

- Personal characteristics:
  - high personal and professional ethics, integrity, and values;
  - an inquiring and independent mind; and
  - practical wisdom and mature judgment;
- Broad training and experience at the policy-making level in business, government, education, or technology;
- Expertise that is useful to us and complementary to the background and experience of other Board members, so that an optimum balance of experience and expertise of members of the Board can be achieved and maintained;
- Willingness to devote the required amount of time to carry out the duties and responsibilities of Board membership;
- Commitment to serve on the Board for several years to develop knowledge about our business;
- Willingness to represent the best interests of all of our stockholders and objectively evaluate management performance; and
- Involvement only in activities or interests that do not create a conflict with the Director's responsibilities to us and our stockholders.

The Nominating and Corporate Governance Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members and periodically reviews and updates the criteria. In selecting Director nominees, the Board considers the personal characteristics, experience, and other criteria as set forth in our Corporate Governance Guidelines, as well as our specific needs and the needs of our Board at the time.

We value all types of diversity, including diversity of our Board. In evaluating the overall qualifications of a potential nominee, the Committee and Board take into account overall Board diversity in personal background, race, gender, age, and nationality.

Process for the Selection of New Directors

The Board is responsible for filling vacancies on the Board and ensuring regular refreshment of the Board. Our Corporate Governance Guidelines provide that each non-management Director shall retire from the Board immediately prior to the annual meeting of stockholders following his or her seventy-second (72nd) birthday. The Board has delegated to the Nominating and Corporate Governance Committee the duty of selecting and recommending candidates to the Board for approval. The Nominating and Corporate Governance Committee will consider candidates for Board membership recommended by Board members, our management, and stockholders. The Committee may also retain an independent executive search firm to identify candidates for consideration and to gather additional information about the candidate's background, experience, and reputation. A stockholder who wishes to recommend a candidate should notify our Corporate Secretary.

The Nominating and Corporate Governance Committee, in consultation with the Board, will determine the specific criteria for a new Director candidate. After the Nominating and Corporate Governance Committee identifies a candidate, the Committee will determine the appropriate method to evaluate the candidate. The preliminary determination regarding a candidate is based on the likelihood that the candidate will meet the Board membership criteria listed in our Corporate Governance Guidelines. The Committee will determine, after discussion with the Chairman of the Board and other Board members, whether a candidate should continue to be considered. If a candidate warrants additional consideration, the Committee and others, as appropriate, will interview the candidate. Once the evaluation and interviews are completed, the Committee will recommend to the Board whether the candidate should be appointed to the Board or proposed for election by stockholders and the Board will act on such recommendation.

IDENTIFICATION OF QUALIFIED CANDIDATES	DUE DILIGENCE SCREENING	MEETINGS WITH SHORTLISTED CANDIDATES	DECISION AND NOMINATION
Nominating and Corporate Governance Committee identifies candidates to become Board members	Review of qualifications to determine if candidate meets Board membership criteria	Committee members and, as appropriate, other Board members and management interview the shortlisted candidates	Selection of Director nominees best qualified to serve the interests of Halliburton stockholders

Communication to the Board

To foster better communication from our stockholders and other interested persons, we maintain a process for stockholders and others to communicate with the Audit Committee and the Board. The process has been approved by both the Audit Committee and the Board, and meets the requirements of the New York Stock Exchange, or NYSE, and the SEC. The methods of communication with the Board include telephone, mail, and e-mail.

888.312.2692
or
770.613.6348

Board of Directors
c/o Director of Business Conduct
Halliburton Company
P.O. Box 42806
Houston, Texas 77242-2806
USA

BoardofDirectors@halliburton.com

Our Director of Business Conduct, an employee, reviews all communications directed to the Audit Committee and the Board. The Chairman of the Audit Committee is promptly notified of any substantive communication involving accounting, internal accounting controls, or auditing matters. The Lead Independent Director is promptly notified of any other significant communication, and any Board-related matters which are addressed to a named Director are promptly sent to that Director. Copies of all communications are available for review by any Director. Some communications, such as advertisements, business solicitations, junk mail, resumes, and any communication that is overly hostile, threatening, or illegal, will not be forwarded to the Board. Communications may be made anonymously or confidentially. Confidentiality shall be maintained unless disclosure is:

- required or advisable in connection with any governmental investigation or report;
- in the interests of Halliburton, consistent with the goals of our Code of Business Conduct; or
- required or advisable in our legal defense of a matter.

Information regarding these methods of communication is also on our website at *www.halliburton.com*.

Proposal No. 1 Election of Directors

In considering whether a current Director should be nominated for election as a Director, the Nominating and Corporate Governance Committee and the Board considered, among other matters, the expertise and experience of the Director, the annual performance evaluation of the Director, the Director's attendance at, preparation for, and engagement in Board and Committee meetings, the diversity of the Board, the tenure of the Director, and the overall distribution of tenure among Directors to ensure sufficient experience with the company's operations, performance, and technology and the cycles of the industry. A summary of the qualifications and experience of our non-management Directors is provided in the table below.

AFTER CONSULTATION WITH THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE, THE BOARD OF DIRECTORS RECOMMENDS A **VOTE FOR** THE ELECTION OF EACH OF THE DIRECTOR NOMINEES LISTED BELOW.

The twelve nominees are all current Directors. If any nominee is unwilling or unable to serve, favorable and uninstructed proxies will be voted for a substitute nominee designated by the Board. If a suitable substitute is not available, the Board will reduce the number of Directors to be elected. Each nominee has indicated approval of his or her nomination and his or her willingness to serve if elected. The Directors elected will serve for the ensuing year and until their successors are elected and qualify.

NON-MANAGEMENT DIRECTOR QUALIFICATIONS AND EXPERIENCE

	A. F. Al Khayyal	W. E. Albrecht	A. M. Bennett	J. R. Boyd	M. Carroll	N. K. Dicciani	M. S. Gerber	J. C. Grubisich	R. A. Malone	D. L. Reed
TENURE										
Year Elected	2014	2016	2006	2006	2006	2009	2012	2013	2009	2001
Mandatory Retirement	2026	2024	2023	2019	2023	2020	2025	2029	2024	2028
GENERAL										
Independence	●	●	●	●	●	●	●	●	●	●
Diversity	●				●	●		●		●
Board or Board Committee Leadership	●	●	●	●	●	●	●	●	●	●
Public Company Experience	●	●	●	●	●	●	●	●	●	●
Private Company Experience	●	●		●	●		●	●	●	
Not-for-Profit Experience	●	●	●	●	●	●	●	●	●	
Government Experience				●	●					
Academia			●		●	●	●			
Community Leadership/Philanthropic	●	●	●	●	●		●	●	●	●
DECISION-MAKING EXPERIENCE AT EXECUTIVE LEVEL OR OTHER SUBSTANTIAL EXPERIENCE										
Energy Industry	●	●		●	●	●	●	●	●	●
Accounting/Finance	●	●	●	●		●	●	●	●	●
Technology/Engineering	●	●		●	●	●	●	●	●	●
Mergers & Acquisitions	●	●	●	●	●	●	●	●	●	●
Human Resources/Compensation	●	●	●	●		●	●	●	●	●
Compliance	●	●	●	●		●	●	●	●	●
Strategic Planning	●	●	●	●	●	●	●	●	●	●
International Business	●	●	●	●		●		●	●	●
Health, Safety & Environment and Sustainability	●	●		●		●	●	●	●	●
Corporate Governance	●	●	●	●	●	●	●	●	●	●

Information about Nominees for Director

ABDULAZIZ F. AL KHAYYAL

Age 64
Director since: **2014**
INDEPENDENT

Professional Experience:
- Retired Senior Vice President of Industrial Relations of Saudi Arabian Oil Company (Saudi Aramco) (the world's largest producer of crude oil)
- Senior Vice President of Industrial Relations of Saudi Aramco from 2007 to 2014 and served as a director of Saudi Aramco from 2004 to 2014

Skills and Expertise:
The Board determined that Mr. Al Khayyal should be nominated for election as a Director because of his exceptional knowledge of the energy industry, including significant international industry experience and executive experience with the world's largest producer of crude oil.

Other Company Directorships:
- Marathon Petroleum Corporation (since 2016)

Former Directorships in the Past 5 Years:
- None

WILLIAM E. ALBRECHT

Age 66
Director since: **2016**
INDEPENDENT

Professional Experience:
- Non-Executive Chairman of the Board of California Resources Corporation (a publicly traded oil and natural gas exploration and production company) since 2016 and Executive Chairman of the Board from 2014 to 2016
- Vice President of Occidental Petroleum Corporation from 2008 to 2014
- President of Oxy Oil & Gas, Americas from 2012 to 2014

Skills and Expertise:
The Board determined that Mr. Albrecht should be nominated for election as a Director because of his extensive experience in the domestic oil and natural gas industry and executive experience with a public oil and gas exploration and production company and an international offshore drilling company.

Other Company Directorships:
- Chairman of the Board and has been a director of Rowan Companies plc (since 2015)

Former Directorships in the Past 5 Years:
- None

ALAN M. BENNETT

Age 67
Director since: **2006**
INDEPENDENT

Professional Experience:
- Retired President and Chief Executive Officer of H&R Block, Inc. (a tax and financial services provider)
- President and Chief Executive Officer of H&R Block, Inc. from 2010 to 2011
- Interim Chief Executive Officer of H&R Block, Inc. from 2007 to 2008
- Senior Vice President and Chief Financial Officer of Aetna, Inc. from 2001 to 2007

Skills and Expertise:
The Board determined that Mr. Bennett should be nominated for election as a Director because of his business and financial expertise, ranging from internal audit to corporate controller to chief financial officer of a large, public company. He is a certified public accountant and also has chief executive officer experience.

Other Company Directorships:
- Fluor Corporation (since 2011)
- TJX Companies, Inc. (since 2007)

Former Directorships in the Past 5 Years:
- None

JAMES R. BOYD

Age 71

Director since: **2006**

INDEPENDENT

Professional Experience:
- Retired Chairman of the Board of Arch Coal, Inc. (one of the largest United States coal producers)

Skills and Expertise:

The Board determined that Mr. Boyd should be nominated for election as a Director because of his experience as chairman and lead director of a large, public company and experience in corporate business development, operations, and strategic planning.

Other Company Directorships:
- None

Former Directorships in the Past 5 Years:
- Arch Coal, Inc. (1990-2013)

MILTON CARROLL

Age 67

Director since: **2006**

INDEPENDENT

Professional Experience:
- Executive Chairman of the Board of CenterPoint Energy, Inc. (a public utility holding company) since 2013
  In that role, Mr. Carroll's primary function is to provide leadership for the CenterPoint Board and to coordinate its activities.
- Non-Executive Chairman of the Board of CenterPoint Energy, Inc. from 2002 to 2013

Skills and Expertise:

The Board determined that Mr. Carroll should be nominated for election as a Director because of his public company board experience, corporate governance expertise, and knowledge of the oil and gas services industry. The Board also determined that Mr. Carroll's duties as Chairman of CenterPoint do not impede his ability to fulfill his responsibilities as a Director.

Other Company Directorships:
- Western Gas Holdings, LLC, the general partner of Western Gas Partners L.P. (since 2008)
- Chairman of Health Care Service Corporation (a customer-owned health insurance company) (since 2002)

Former Directorships in the Past 5 Years:
- LRE GP, LLC, the general partner of LRR Energy, L.P. (2011-2014)
- LyondellBasell Industries (2010-2016)

NANCE K. DICCIANI

Age 70

Director since: **2009**

INDEPENDENT

Professional Experience:
- Non-Executive Chair of the Board of AgroFresh Solutions, Inc. (a global leader in advanced proprietary technologies for the horticultural market) since 2015
- Interim Co-Principal Executive Officer of AgroFresh Solutions, Inc. from March 2016 to October 2016
- President and Chief Executive Officer of Honeywell International Specialty Materials (a diversified technology and manufacturing company) from 2001 to 2008

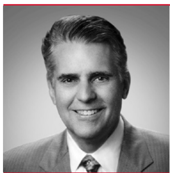
Skills and Expertise:

The Board determined that Ms. Dicciani should be nominated for election as a Director because of her technical expertise in the chemical industry, international operations expertise, and executive experience as a chief executive officer of a multi-billion dollar strategic business group of a major multinational corporation.

Other Company Directorships:
- Praxair, Inc. (since 2008)
- LyondellBasell Industries (since 2013)

Former Directorships in the Past 5 Years:
- Rockwood Holdings, Inc. (2008-2014)

MURRY S. GERBER



Age 65

Director since: **2012**

INDEPENDENT

Professional Experience:

- Retired Executive Chairman of the Board of EQT Corporation (a leading producer of unconventional natural gas)
- Executive Chairman of the Board of EQT Corporation from 2010 to 2011
- Chairman and Chief Executive Officer of EQT Corporation from 2000 to 2010
- Chief Executive Officer and President of EQT Corporation from 1998 to 2007

Skills and Expertise:

The Board determined that Mr. Gerber should be nominated for election as a Director because of his executive leadership skills and extensive business experience in the energy industry and domestic unconventional oil and natural gas basins.

Other Company Directorships:

- BlackRock, Inc. (since 2000)
- United States Steel Corporation (since 2012)

Former Directorships in the Past 5 Years:

- None

JOSÉ C. GRUBISICH

Age 61

Director since: **2013**

INDEPENDENT

Professional Experience:

- Managing Partner of Olímpia Investimentos e Participações (a Brazilian investment company) since 2017
- Chief Executive Officer of Eldorado Brasil Celulose (a leader in the world cellulose market) from 2012 to 2017
- President and Chief Executive Officer of ETH Bioenergia S.A. (an integrated producer of ethanol and electricity from biomass) from 2008 to 2012

Skills and Expertise:

The Board determined that Mr. Grubisich should be nominated for election as a Director because of his significant international business experience in Latin America and executive leadership experience.

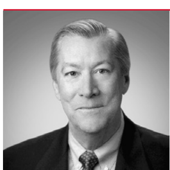
Other Company Directorships:

- Vallourec S.A. (since 2012)

Former Directorships in the Past 5 Years:

- None

DAVID J. LESAR



Age 64

Director since: **2000**

CHAIRMAN

Professional Experience:

- Executive Chairman of the Board of Halliburton since 2017
- Chairman and Chief Executive Officer of Halliburton from 2015 to 2017
- Chairman, President and Chief Executive Officer of Halliburton from 2000 to 2014

Skills and Expertise:

The Board determined that Mr. Lesar should be nominated for election as a Director because of his energy industry expertise, financial expertise, and in-depth knowledge of Halliburton and its business.

Other Company Directorships:

- None

Former Directorships in the Past 5 Years:

- Agrium, Inc. (2010-2015)

ROBERT A. MALONE

Age 66

Director since: **2009**

INDEPENDENT

Professional Experience:

- Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc. (a bank holding company) since 2014
- Executive Chairman, President and Chief Executive Officer of The First National Bank of Sonora, Texas (a community bank owned by First Sonora Bancshares, Inc.) since 2009
- Executive Vice President of BP plc, and Chairman of the Board and President, BP America Inc. (one of the nation's largest producers of oil and natural gas) from 2006 to 2009

Skills and Expertise:

The Board determined that Mr. Malone should be nominated for election as a Director because of his energy industry expertise and executive leadership experience, including crisis management and safety performance.

Other Company Directorships:

- Non-Executive Chairman of the Board of Peabody Energy Corporation (since 2016) and director (since 2009)
- Teledyne Technologies Incorporated (since 2015)
- BP Midstream Partners GP LLC, the general partner of BP Midstream (since 2017)

Former Directorships in the Past 5 Years:

- None

JEFFREY A. MILLER

Age 54

Director since: **2014**

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Professional Experience:

- President and Chief Executive Officer of Halliburton since 2017 and Director since 2014
- President of Halliburton from 2014 to 2017
- Executive Vice President and Chief Operating Officer of Halliburton from 2012 to 2014

Skills and Expertise:

The Board determined that Mr. Miller should be nominated for election as a Director because of his energy industry expertise, executive and business development experience, and extensive knowledge of Halliburton's global operations.

Other Company Directorships:

- None

Former Directorships in the Past 5 Years:

- Atwood Oceanics, Inc. (2013-2017)

DEBRA L. REED

Age 61

Director since: **2001**

INDEPENDENT

Professional Experience:

- Chief Executive Officer of Sempra Energy (an energy infrastructure and regulated holding company) since 2011 and Chairman of the Board of Sempra Energy since 2012
  Ms. Reed will retire as CEO of Sempra Energy effective May 1, 2018, and will retire as Chairman effective December 1, 2018.
- Executive Vice President of Sempra Energy from 2010 to 2011
- President and Chief Executive Officer of Southern California Gas Company, and San Diego Gas & Electric Company from 2006 to 2010

Skills and Expertise:

The Board determined that Ms. Reed should be nominated for election as a Director because of her executive, operational, financial, and administrative expertise, experience with energy infrastructure operations, public company board experience, and corporate governance expertise. The Board also determined that Ms. Reed's duties as Chairman and CEO of Sempra do not impede her ability to fulfill her responsibilities as a Director.

Other Company Directorships:

- Caterpillar Inc. (since 2015)

Former Directorships in the Past 5 Years:

- None

Directors' Compensation

Directors' Fees

All non-management Directors receive an annual retainer of $115,000, which remains unchanged from 2014. The Lead Independent Director receives an additional annual retainer of $30,000, and the chairperson of each committee receives an additional annual retainer for serving as chair as follows: Audit - $25,000; Compensation - $20,000; Health, Safety and Environment - $15,000; and Nominating and Corporate Governance - $15,000. Non-management Directors are permitted to defer all or part of their fees under the Directors' Deferred Compensation Plan.

Directors' Equity Awards

All non-management Directors receive an annual equity award with a value of approximately $185,000, which remains unchanged from 2014, consisting of restricted stock units (RSUs), each of which represents the right to receive a share of common stock at a future date. The actual number of RSUs is determined by dividing $185,000 by the average of the closing price of our common stock on the NYSE on each business day during the month of July. These annual awards are made on or about the first day of August. The value of the award may be more or less than $185,000 based on the closing price of our common stock on the NYSE on the date of the award. Non-management Directors are permitted to defer all of their RSUs under the Directors' Deferred Compensation Plan.

Directors may not sell, assign, pledge, otherwise transfer, or encumber restricted shares (which were previously granted to non-management Directors) or RSUs until the restrictions are removed. Restrictions on RSUs lapse 25% a year over four years of service with the applicable underlying shares of common stock distributed annually to the non-management Director unless the Director elected to defer receipt of the shares under the Directors' Deferred Compensation Plan. If a non-management Director has a separation of service from the Board before completing four years of service from the applicable award date, any unvested RSUs would be forfeited, unless the Board determines to accelerate vesting. Restrictions on restricted shares and RSUs lapse following termination of Board service only under specified circumstances, which include death or disability, retirement under the Director mandatory retirement policy, or early retirement after at least four years of service.

During the restriction period, Directors have the right to (i) vote restricted shares, but not shares underlying RSUs, and (ii) receive dividends or dividend equivalents in cash on restricted shares and RSUs that have not been deferred. RSUs that have been deferred receive dividend equivalents under the Directors' Deferred Compensation Plan.

Directors' Deferred Compensation Plan

The Directors' Deferred Compensation Plan is a nonqualified deferred compensation plan and participation is completely voluntary. Under the plan, non-management Directors are permitted to defer all or part of their retainer fees and all of the shares of common stock underlying their RSUs when they vest. If a non-management Director elects to defer retainer fees under the plan, then the Director may elect to have his or her deferred fees accumulate under an interest-bearing account or translate on a quarterly basis into Halliburton common stock equivalent units (SEUs) under a stock equivalents account. If a non-management Director elects to defer receipt of the shares of common stock underlying his or her RSUs when they vest, then those shares are retained as deferred RSUs under the plan. The interest-bearing account is credited quarterly with interest at the prime rate of Citibank, N.A. The SEUs and deferred RSUs are credited quarterly with dividend equivalents based on the same dividend rate as Halliburton common stock and those amounts are translated into additional SEUs or RSUs, respectively.

After a Director's retirement, distributions under the plan are made to the Director in a single distribution or in annual installments over a 5- or 10-year period as elected by the Director. Distributions under the interest-bearing account are made in cash, while distributions of SEUs under the stock equivalents account and deferred RSUs are made in shares of Halliburton common stock. Mses. Dicciani and Reed and Messrs. Al Khayyal, Bennett, Boyd, and Carroll have deferred retainer fees under the plan. Mses. Dicciani and Reed and Messrs. Al Khayyal, Albrecht, Bennett, Boyd, Carroll, and Grubisich have deferred RSUs under the plan.

Directors' Stock Ownership Requirements

We have stock ownership requirements for all non-management Directors to further align their interests with our stockholders. As a result, all non-management Directors are required to own Halliburton common stock in an amount equal to or in excess of the greater of (A) the cash portion of the Director's annual retainer for the five-year period beginning on the date the Director is first elected to the Board or (B) $500,000. The Nominating and Corporate Governance Committee reviews the holdings of all non-management Directors, which include restricted shares, other Halliburton common stock, and RSUs owned by the Director, at each May meeting. Each non-management Director has five years to meet the requirements, measured from the date he or she is first elected to the Board. Each non-management Director currently meets the stock ownership requirements or is on track to do so within the requisite five-year period.

Director Clawback Policy

We have a clawback policy under which we will seek, in all appropriate cases, to recoup incentive compensation paid to, awarded to, or credited for the benefit of a Director, if and to the extent that:

- it is determined that, in connection with the performance of that Director's duties, he or she breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, or recklessly disregarded his or her duty to exercise reasonable oversight; or
- the Director is named as a defendant in a law enforcement proceeding for having breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, the Director disagrees with the allegations relating to the proceeding, and either (A) we initiate a review and determine that the alleged action is not indemnifiable or (B) the Director does not prevail at trial, enters into a plea arrangement, agrees to the entry of a final administrative or judicial order imposing sanctions, or otherwise admits to the violation in a legal proceeding.

The disinterested members of the Board and the disinterested members of the Compensation Committee and the Nominating and Corporate Governance Committee may be involved in reviewing, considering, and making determinations regarding the Director's alleged conduct, whether recoupment is appropriate or required, and the type and amount of incentive compensation to be recouped from the Director.

The policy also provides that, to the extent permitted by applicable law and not previously disclosed in a filing with the SEC, we will disclose in our proxy statement the circumstances of any recoupment arising under the policy or that there has not been any recoupment pursuant to the policy for the prior calendar year. There was no recoupment under the policy in 2017.

Charitable Contributions and Other Benefits

Matching Gift Programs

To further our support for charities, Directors may participate in the Halliburton Foundation's matching gift programs for educational institutions, not-for-profit hospitals, and medical foundations. For each eligible contribution, the Halliburton Foundation makes a contribution of 2.25 times the amount contributed by the Director, subject to approval by its Trustees. The maximum aggregate of all contributions each calendar year by a Director eligible for matching is $50,000, resulting in a maximum aggregate amount contributed annually by the Halliburton Foundation in the form of matching gifts of $112,500 for any Director who participates in the programs. Neither the Halliburton Foundation nor we have made a charitable contribution, within the preceding three years, to any charitable organization in which a Director serves as an employee or an immediate family member of the Director serves as an executive officer that exceeds in any single year the greater of $1 million or 2% of such charitable organization's consolidated gross revenues.

Accidental Death and Dismemberment

We offer an optional accidental death and dismemberment policy for non-management Directors for individual coverage or family coverage with a benefit per Director of up to $250,000 and lesser amounts for family members. Ms. Dicciani and Messrs. Carroll, Gerber, and Malone elected individual coverage at a cost of $184 annually. Messrs. Al Khayyal, Albrecht, Grubisich, and Martin elected family coverage at a cost of $207 annually. These premiums are included in the All Other Compensation column of the 2017 Director Compensation table for those who participate.

2017 Director Compensation

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Abdulaziz F. Al Khayyal	115,000	181,219	0	12,183	308,402
William E. Albrecht	115,000	181,219	0	5,049	301,268
Alan M. Bennett	138,118	181,219	0	164,491	483,828
James R. Boyd	135,000	181,219	0	96,845	413,064
Milton Carroll	115,000	181,219	0	50,065	346,284
Nance K. Dicciani	115,000	181,219	0	149,866	446,085
Murry S. Gerber	115,000	181,219	0	121,324	417,543
José C. Grubisich	115,000	181,219	0	14,068	310,287
Robert A. Malone	130,000	181,219	0	130,571	441,790
J. Landis Martin	143,118	181,219	0	267,201	591,538
Debra L. Reed	130,000	181,219	0	76,477	387,696

Fees Earned or Paid In Cash. The amounts in this column represent retainer fees earned in fiscal year 2017, but not necessarily paid in 2017. Refer to the section Directors' Fees for information on annual retainer fees.

Stock Awards. The amounts in the Stock Awards column reflect the grant date fair value of RSUs awarded in 2017. We calculate the fair value of equity awards by multiplying the number of RSUs granted by the closing stock price as of the award's grant date.

The number of restricted shares, RSUs, and SEUs held at December 31, 2017, by non-management Directors are:

Name	Restricted Shares	RSUs	SEUs
Abdulaziz F. Al Khayyal	0	15,780	3,932
William E. Albrecht	0	8,933	0
Alan M. Bennett	25,236	25,535	25,912
James R. Boyd	25,236	25,535	36,928
Milton Carroll	20,271	25,535	27,645
Nance K. Dicciani	14,843	25,502	13,767
Murry S. Gerber	2,000	10,280	0
José C. Grubisich	0	21,580	0
Robert A. Malone	14,843	10,280	0
J. Landis Martin	35,162	25,502	0
Debra L. Reed	33,562	25,535	20,169

Change in Pension Value and Nonqualified Deferred Compensation Earnings. None of the Directors had a change in pension value or nonqualified deferred compensation earnings that represented above market earnings in 2017.

All Other Compensation. This column includes compensation related to the matching gift programs under the Halliburton Foundation, the Accidental Death and Dismemberment program, dividends or dividend equivalents on restricted shares or RSUs, and dividend equivalents associated with the Directors' Deferred Compensation Plan.

Directors who participated in the matching gift program and the corresponding match provided by the Halliburton Foundation in 2017 are: Mr. Bennett - $112,500; Mr. Boyd - $35,663; Ms. Dicciani - $112,500; Mr. Gerber - $112,500; Mr. Malone - $112,500; Mr. Martin - $225,000; and Ms. Reed - $22,500. Because of differences between the time when the Director makes the charitable contribution and the time when the Halliburton Foundation makes the matching payment, amounts paid by the Halliburton Foundation may apply to contributions made by the Directors in both 2016 and 2017 and the amounts shown may exceed $112,500 in those instances.

Directors who participated in the Accidental Death and Dismemberment program and incurred imputed income for the benefit amount of $184 for individual coverage and $207 for family coverage are: Mr. Al Khayyal - $207; Mr. Albrecht - $207; Mr. Carroll - $184; Ms. Dicciani - $184; Mr. Gerber - $184; Mr. Grubisich - $207; Mr. Malone - $184; and Mr. Martin - $207.

Directors who received dividends or dividend equivalents on restricted shares or RSUs held on Halliburton record dates are: Mr. Bennett - $18,170; Mr. Boyd - $18,170; Mr. Carroll - $14,595; Ms. Dicciani - $12,224; Mr. Gerber - $8,640; Mr. Malone - $17,887; Mr. Martin - $26,853; and Ms. Reed - $24,165.

Directors who received dividend equivalents attributable to their stock equivalents account under the Directors' Deferred Compensation Plan are: Mr. Al Khayyal - $2,251; Mr. Bennett - $17,141; Mr. Boyd - $26,332; Mr. Carroll - $18,606; Ms. Dicciani - $9,817; and Ms. Reed - $13,132.

Directors who received dividend equivalents attributable to their deferred RSUs under the Directors' Deferred Compensation Plan are: Mr. Al Khayyal - $9,725; Mr. Albrecht - $4,842; Mr. Bennett - $16,680; Mr. Boyd - $16,680; Mr. Carroll - $16,680; Ms. Dicciani - $15,141; Mr. Grubisich - $13,861; Mr. Martin - $15,141; and Ms. Reed - $16,680.

Stock Ownership Information

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors and executive officers to file reports of holdings and transactions in Halliburton stock with the SEC and the NYSE. Based on our records and other information, we believe that in 2017 our Directors and our officers who are subject to Section 16 met all applicable filing requirements, except Ms. Myrtle Jones, Senior Vice President – Tax, who in 2018 filed a late Form 4 to report the gifting of shares to a charity.

Stock Ownership of Certain Beneficial Owners and Management

The following table sets forth beneficial ownership information about persons or groups that own or have the right to acquire more than 5% of our common stock, based on information contained in Schedules 13G filed with the SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	63,837,070(1)	7.3%
Capital Research Global Investors 333 South Hope Street, Los Angeles, CA 90071	46,260,129(2)	5.3%
The Vanguard Group 100 Vanguard Blvd, Malvern, PA 19355	62,254,104(3)	7.1%

(1) BlackRock, Inc. is a parent holding company and is deemed to be the beneficial owner of 63,837,070 shares. BlackRock has sole power to vote or to direct the vote of 55,083,912 shares and has sole power to dispose or to direct the disposition of 63,837,070 shares. BlackRock has sole power to vote or to direct the vote, and sole power to dispose or to direct the disposition of, 63,837,070 shares.

(2) Capital Research Global Investors is a financial services company and is deemed to be the beneficial owner of 46,260,129 shares. Capital Research Global Investors has sole power to vote or to direct the vote, and sole power to dispose or to direct the disposition of, 46,260,129 shares.

(3) The Vanguard Group is an investment adviser and is deemed to be the beneficial owner of 62,254,104 shares. The Vanguard Group has sole power to vote or to direct the vote of 1,243,327 shares and has sole power to dispose or to direct the disposition of 60,800,424 shares. The Vanguard Group has shared power to vote or to direct the vote of 241,318 shares and has shared power to dispose or to direct the disposition of 1,453,680 shares.

The following table sets forth information, as of March 7, 2018, regarding the beneficial ownership of our common stock by each Director, each Named Executive Officer, and by all Directors and executive officers as a group.

	Amount and Nature of Beneficial Ownership		
Name of Beneficial Owner or Number of Persons in Group	**Sole Voting and Investment Power (1) (2) (3)**	**Shared Voting or Investment Power**	**Percent of Class**
Abdulaziz F. Al Khayyal	0		*
William E. Albrecht	8,000		*
Alan M. Bennett	27,236		*
James R. Boyd	47,236		*
James S. Brown	407,170		*
Milton Carroll	20,271		*
Nance K. Dicciani	19,843		*
Murry S. Gerber	55,161		*
José C. Grubisich	0		*
David J. Lesar	1,455,623	115,847(4)	*
Robert A. Malone	28,941		*
J. Landis Martin	96,764(5)		*
Jeffrey A. Miller	716,696		*
Lawrence J. Pope	415,262		*
Joe D. Rainey	420,983		*
Debra L. Reed	33,562		*
Robb L. Voyles	354,699		*
Christopher T. Weber	64,628		*
Shares owned by all current Directors and executive officers as a group (23 persons)	4,617,648		*

* *Less than 1% of shares outstanding.*

(1) *The table includes shares of common stock eligible for purchase pursuant to outstanding stock options within 60 days of March 7, 2018, for the following: Mr. Brown – 284,201; Mr. Lesar – 931,035; Mr. Miller – 260,101; Mr. Pope – 232,934; Mr. Rainey – 210,000; Mr. Voyles – 145,667; and five unnamed executive officers – 209,867. Until the options are exercised, these individuals will not have voting or investment power over the underlying shares of common stock, but will only have the right to acquire beneficial ownership of the shares through exercise of their respective options. The table also includes restricted shares of common stock over which the individuals have voting power but no investment power.*

(2) *The table does not include restricted stock units (RSUs) held by non-management Directors or stock equivalent units (SEUs) held by non-management Directors under the Directors' Deferred Compensation Plan for the following (RSUs/SEUs): Mr. Al Khayyal – 15,780 / 3,932; Mr. Albrecht – 8,933 / 0; Mr. Bennett – 25,535 / 25,912; Mr. Boyd – 25,535 / 36,928; Mr. Carroll – 25,535 / 27,645; Ms. Dicciani – 25,502 / 13,767; Mr. Gerber – 10,280 / 0; Mr. Grubisich – 21,580 / 0; Mr. Malone – 10,280 / 0; Mr. Martin – 25,502 / 0; and Ms. Reed – 25,535 / 20,169. Until the underlying shares of common stock are distributed with respect to the RSUs or SEUs, non-management Directors will not have voting or investment power over such shares. No shares of common stock with respect to RSUs will be distributed within 60 days of March 7, 2018, unless the Board in its discretion vests the RSUs upon a non-management Director's separation of service from the Board. No shares of common stock with respect to SEUs will be distributed within 60 days of March 7, 2018, because such shares are distributed in January of the year following the year the non-management Director has a separation of service from the Board.*

(3) *The table does not include the following restricted stock units (RSUs) held by Mr. Brown and Mr. Lesar: Mr. Brown – 108,743, and Mr. Lesar – 326,229. Until the underlying shares of common stock, where applicable, are distributed with respect to the RSUs, they do not have voting or investment power over such shares.*

(4) *Shares held by Mr. Lesar's spouse. Mr. Lesar disclaims the beneficial ownership of these shares.*

(5) *Includes 61,602 shares held by Martin Enterprises LLC. Mr. Martin is the sole manager, and Mr. Martin and trusts (of which Mr. Martin is the sole trustee) formed solely for the benefit of his children, are the sole members of Martin Enterprises LLC.*

Proposal No. 2 Ratification of Selection of Principal Independent Public Accountants

The Audit Committee is responsible for the appointment, compensation, retention, oversight of the work, and evaluation of the principal independent public accountants retained to audit our financial statements. The Audit Committee and Board have approved the selection of KPMG LLP as our principal independent public accountants to examine our financial statements and books and records for the year ended December 31, 2018, and a resolution will be presented at the Annual Meeting to ratify this selection. Representatives of KPMG are expected to be present at the Annual Meeting and be available to respond to appropriate questions from stockholders.

KPMG began serving as our principal independent public accountants for the year ended December 31, 2002. The Audit Committee routinely reviews the performance and retention of our independent public accountants, including an evaluation of service quality, the nature and extent of non-audit services, and other factors required to be considered when assessing independence from Halliburton and its management. The Audit Committee also periodically considers whether there should be a rotation of the principal independent public accountants. The Audit Committee and Board believe that the continued retention of KPMG to serve as our principal independent public accountants for the year ended December 31, 2018, is in the best interests of Halliburton and our stockholders.

As a matter of good corporate governance, however, the Audit Committee has decided to submit a request for proposal to several public accounting firms, including KPMG, to serve as our principal independent public accountants for the year ending December 31, 2019. At the conclusion of the process, the Audit Committee may engage KPMG or select another firm as our principal independent public accountants for the year ending December 31, 2019. Any decision to select new principal independent public accountants will be submitted for ratification at next year's Annual Meeting of Stockholders.

The affirmative vote of the holders of a majority of the shares of our common stock represented at the Annual Meeting and entitled to vote on the matter is needed to approve the proposal.

If the stockholders do not ratify the selection of KPMG, the Board will reconsider the selection of independent public accountants.

THE BOARD OF DIRECTORS RECOMMENDS A **VOTE FOR** RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS PRINCIPAL INDEPENDENT PUBLIC ACCOUNTANTS TO EXAMINE OUR FINANCIAL STATEMENTS AND BOOKS AND RECORDS FOR THE YEAR ENDING DECEMBER 31, 2018.

Audit Committee Report

We operate under a written charter, a copy of which is available on Halliburton's website at *www.halliburton.com.* As required by the charter, we review and reassess the charter annually and recommend any changes to the Board for approval.

Halliburton's management is responsible for preparing Halliburton's financial statements and the principal independent public accountants are responsible for auditing those financial statements. The Audit Committee's role is to provide oversight of management in carrying out management's responsibility and to appoint, compensate, retain, oversee the work of, and evaluate the principal independent public accountants. The Audit Committee is not providing any expert or special assurance as to Halliburton's financial statements or any professional certification as to the principal independent public accountants' work.

In fulfilling our oversight role for the year ended December 31, 2017, we:

- reviewed and discussed Halliburton's audited financial statements with management;
- discussed with KPMG LLP, Halliburton's principal independent public accountants, the matters required by Auditing Standard 1301 relating to the conduct of the audit;
- received from KPMG the written disclosures and the letter required by the Public Company Accounting Oversight Board regarding KPMG's independence;
- evaluated KPMG's service quality; and
- discussed with KPMG its independence and reviewed other matters required to be considered under Securities and Exchange Commission rules regarding KPMG's independence.

Based on the foregoing, we recommended to the Board that the audited financial statements be included in Halliburton's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, for filing with the Securities and Exchange Commission.

THE AUDIT COMMITTEE

Alan M. Bennett
James R. Boyd
Nance K. Dicciani
Murry S. Gerber
José C. Grubisich

Fees Paid to KPMG LLP

During 2016 and 2017, we incurred the following fees for services performed by KPMG LLP.

	2016 (In millions)	2017 (In millions)
Audit fees	$ 10.5	$ 10.7
Audit-related fees	0.2	0.2
Tax fees	3.5	0.9
TOTAL	**$ 14.2**	**$ 11.8**

Audit Fees

Audit fees represent the aggregate fees for professional services rendered by KPMG for the integrated audit of our annual financial statements for the fiscal years ended December 31, 2016, and December 31, 2017. Audit fees also include the audits of many of our subsidiaries in regards to compliance with statutory requirements in foreign countries and reviews of our financial statements included in the Forms 10-Q we filed during fiscal years 2016 and 2017.

Audit-Related Fees

Audit-related fees were incurred for assurance and related services that are traditionally performed by the independent public accountant. These services primarily include attestation engagements required by contractual or regulatory provisions and employee benefit plan audits.

Tax Fees

The aggregate fees for tax services primarily consisted of international tax compliance and tax return services related to our expatriate employees. In 2016, tax compliance and preparation fees total $2.3 million and tax advisory fees total $1.2 million and in 2017, tax compliance and preparation fees total $0.4 million and tax advisory fees total $0.5 million.

Fee Approval Policies and Procedures

The Audit Committee has established a written policy that requires the approval by the Audit Committee of all services provided by KPMG as the principal independent public accountants that examine our financial statements and books and records and of all audit services provided by other independent public accountants. Prior to engaging KPMG for the annual audit, the Audit Committee reviews a Principal Independent Public Accountants Auditor Services Plan. KPMG then performs services throughout the year as approved by the Committee. KPMG reviews with the Committee, at least quarterly, a projection of KPMG's fees for the year. Periodically, the Audit Committee approves revisions to the plan if the Committee determines changes are warranted. Our Audit Committee also considered whether KPMG's provision of tax services as reported above are compatible with maintaining KPMG's independence as our principal independent public accountants. All of the fees described above for services provided by KPMG were approved in accordance with the policy.

Proposal No. 3 Advisory Approval of Executive Compensation

Pursuant to Section 14A of the Securities Exchange Act of 1934, our stockholders are being presented with the opportunity to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed in this proxy statement. As reaffirmed by our stockholders at the 2017 Annual Meeting of Stockholders, consistent with our Board's recommendation, we are submitting this proposal for a non-binding vote on an annual basis.

As described in detail under Compensation Discussion and Analysis, our executive compensation program is designed to attract, motivate, and retain our named executive officers, who are critical to our success. Under the program, our named executive officers are rewarded for the achievement of specific annual, long-term and strategic goals, corporate goals, and the realization of increased stockholder returns. Please read Compensation Discussion and Analysis for additional details about our executive compensation program, including information about the fiscal year 2017 compensation of our named executive officers.

The Compensation Committee continually reviews the compensation program for our named executive officers to ensure the program achieves the desired goals of aligning our executive compensation structure with our stockholders' interests and current market practices. We believe our executive compensation program achieves the following objectives identified in Compensation Discussion and Analysis:

- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive stockholder returns;
- Support our business strategies; and
- Maximize the return on our human resource investment.

We are asking our stockholders to indicate their support for our named executive officers' compensation as described in this proxy statement and ask that our stockholders vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the compensation paid to Halliburton's named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion, is hereby approved."

The say-on-pay vote is advisory and, therefore, not binding on us, our Board, or our Compensation Committee. Our Board and our Compensation Committee value the opinions of our stockholders. To the extent there is any significant vote against the named executive officers' compensation as disclosed in this proxy statement, the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

THE BOARD OF DIRECTORS RECOMMENDS A **VOTE FOR** THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

Compensation Discussion and Analysis

2017 CD&A At-A-Glance

This year's CD&A reviews the objectives and elements of Halliburton's executive compensation program and discusses the 2017 compensation earned by our Named Executive Officers (NEOs). It also explains the actions the Compensation Committee took based on its ongoing commitment to consider stockholder feedback and to ensure our senior leadership team continues to deliver the reliable execution and industry-leading growth, margins, and returns that our stockholders expect. During 2017, we:

Continued robust stockholder engagement, with a key focus on executive compensation matters	Contacted our largest stockholders, representing more than 40% of our outstanding common stock
Successfully executed on the Chief Executive Officer (CEO) succession and leadership transition plan	Seamlessly transitioned Mr. Miller into the role of President and CEO
Revamped the provisions of Mr. Lesar's executive agreement	Eliminated the severance benefit of five times salary upon termination and added a four-year non-compete and non-solicitation provision
Implemented robust restrictive covenants in executive agreements for all of our NEOs	Added substantial non-compete/non-solicitation provisions

2017 was an exceptional year for Halliburton and our stockholders, with the Company outperforming our direct peers, the Oilfield Services Index (OSX), and our performance peer group both in terms of Total Stockholder Return (TSR) and Return on Capital Employed (ROCE). As a result, the CEO and other NEOs achieved challenge level payouts under both our Annual Performance Play Plan and our Performance Unit Plan. More information about all of these actions, our 2017 business achievements, and the resulting compensation actions taken by the Compensation Committee are summarized in the following narrative. TSR is a measure of stock price performance which is calculated based on the growth in stock price over a set period and adjusted for stock splits, dividends, rights offerings, and spin-offs. The components of ROCE are described under Pay for Performance Analysis.

2017 Named Executive Officers

Name	Age	Occupation
Jeffrey A. Miller	54	President and Chief Executive Officer
Christopher T. Weber	45	Executive Vice President and Chief Financial Officer
James S. Brown	63	President - Western Hemisphere
Lawrence J. Pope	50	Executive Vice President, Administration and Chief Human Resources Officer
Joe D. Rainey	61	President - Eastern Hemisphere
Robb L. Voyles	60	Executive Vice President, Secretary and General Counsel
David J. Lesar	64	Executive Chairman of the Board
Mark A. McCollum(1)	59	Former Executive Vice President and Chief Financial Officer

(1) Effective as of March 6, 2017, Mr. McCollum resigned his position as our Chief Financial Officer and as an employee.

Key Activities and Changes in 2017

Stockholder Outreach Efforts

Seeking feedback from our stockholders on a regular basis is a critical part of our approach to managing our executive compensation program. Halliburton maintains open communication with the investment community. During 2017, members of our senior management team participated in over 50 investor meetings and 18 conferences. This cadence of stockholder engagement is in addition to the input we receive through our annual advisory vote on executive compensation (say-on-pay) and targeted outreach efforts.

In response to input from our stockholders over the last few years, we've made several adjustments to our executive compensation program — including placing heavier weight on performance-based incentives and being more transparent about our target setting process, metric selection rationale, and the associated payout calculations under our short- and long-term incentive plans.

In May 2016, we announced the termination of the merger with Baker Hughes Incorporated. We understand that the 2017 say-on-pay vote reflected some investor dissatisfaction with this decision. The vote sparked a targeted stockholder outreach campaign led by senior management that solicited feedback on topics including company strategy and performance, HS&E, governance, succession planning, and executive compensation. We contacted our largest stockholders, representing more than 40% of our outstanding common stock. We also took into account the feedback of the proxy advisory firms. We continue to maintain an open dialogue with our stockholders to help ensure that the Board and management have a regular pulse of investor perspectives.

Discussing our compensation program during a time of leadership transition and business volatility was extremely valuable:

- **We validated the philosophy, objectives, and design of our program.** While some stockholders expressed concern about the termination of the merger with Baker Hughes, they are highly supportive of our overall program design and its significant emphasis on performance-based pay. We received positive feedback about the mix of equity in our long-term incentives and the use of ROCE as the primary performance measure in our long-term incentive plan.
- **We gained a better understanding of where we can be more transparent.** Stockholders sought clarity around the Board's steps to protect the stability of the senior leadership team on a go-forward basis – specifically the details of Mr. Lesar's transition package and the safeguards put in place to retain the other NEOs.

CEO Succession and Leadership Transition Plan

Jeffrey A. Miller

President and CEO as of June 1, 2017

On June 1, 2017, Jeffrey A. Miller was named President and CEO of Halliburton. Mr. Miller's promotion was part of a vigorous management succession strategy of the Board. Mr. Miller succeeded David J. Lesar, who will continue to serve as Executive Chairman.

As President and CEO, Mr. Miller has fully assumed the day-to-day leadership and management of the Company. He is also responsible for the planning and execution of Halliburton's strategic direction, financial objectives, and technology development along with Halliburton's management team who reports directly to him. Mr. Miller has worked closely with Mr. Lesar for over 20 years, which greatly facilitated the smooth transition of roles. Mr. Miller joined Halliburton in 1997 and has since served in several leadership roles, including Chief Operating Officer until 2014 when he was named President and appointed to our Board. In connection with his promotion to President and CEO:

- Mr. Miller's annual base salary was increased from $1 million to $1.3 million;
- He received an award of 150,000 shares of restricted stock, which vest 100% five years from the date of grant; and
- Mr. Miller entered into a new employment agreement with the Company, which contains a four-year non-compete and non-solicitation provision post separation.

David J. Lesar

Executive Chairman

As Executive Chairman, Mr. Lesar will focus on leadership of the Board and the strategic direction of the Company, actively engage with stockholders, and advise the Halliburton management team. In connection with his new role:

- Mr. Lesar's annual base salary was decreased from $1.75 million to $1 million;
- Based in part on input from our stockholders, Mr. Lesar entered into a new employment agreement containing a four-year non-compete and non-solicitation provision post separation, which was not included in his prior agreement; and
- Under the terms of his new agreement, Mr. Lesar relinquished his right to receive five times his annual base salary upon termination as provided in his prior employment agreement.

As consideration for the agreement, Mr. Lesar is entitled to receive a $2 million cash payment and one-half of the value of a $15 million equity grant in the form of Halliburton common stock, provided that he remains employed by us through December 31, 2018, or his employment is earlier terminated, other than for early retirement, cause, or breach of his fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, or failing to supervise an employee who substantially participated in such a violation (a fiduciary violation). The remaining one-half of the equity grant will be valued on the termination date and paid in four equal annual installments beginning on the first anniversary of his termination, provided that he remains in compliance with the agreement.

As Messrs. Miller and Lesar transitioned into their responsibilities, the Board recognized the need to keep our management team focused and stable, especially given that other oilfield services companies have aggressively recruited our NEOs and other executives in the past. In fact, over twenty-five of our former executives have departed to become CEOs and/or senior executives of other oilfield services companies. To this end, we entered into new employment agreements with our NEOs that contain more-restrictive non-compete and non-solicitation provisions and provide restricted stock grants to ensure the NEOs continued service to the company.

Mr. Brown's new employment agreement contains a three year non-compete and non-solicitation provision post separation. As consideration for the agreement, Mr. Brown is entitled to receive one-half of the value of a $5 million equity grant in the form of Halliburton common stock, provided that he remains employed by us through his normal retirement date of December 31, 2019, or his employment is earlier terminated, other than for early retirement, cause, or a fiduciary violation. The remaining one-half of the equity grant will be valued on the termination date and paid in three equal annual installments beginning on the first anniversary of his termination, provided that he remains in compliance with the agreement.

Messrs. Pope, Rainey, and Voyles each entered into new employment agreements that contain two year non-compete and non-solicitation provisions post separation and were granted restricted stock with a grant date value of $2.5 million, which vests 100% five years from the date of grant.

Robust Restrictive Covenants

To ensure continuity and to protect stockholders' interests, the Board negotiated new, stricter employment agreements with all of our NEOs that include substantial non-compete and non-solicitation provisions post separation. All of the new agreements:

State the length of the non-compete / non-solicitation period

Periods range from two years to four years following separation, as summarized below:

Name	Non-Compete/Non-Solicitation Period	
	Prior	**New**
Jeffrey A. Miller	2 years	4 years
Christopher T. Weber	N/A	2 years
James S. Brown	Not included	3 years
Lawrence J. Pope	2 years	2 years
Joe D. Rainey	2 years	2 years
Robb L. Voyles	2 years	2 years
David J. Lesar	Not included	4 years

Name companies for whom NEOs may not work during the non-compete / non-solicitation period

The NEOs cannot work anywhere in the world for the following companies (or any companies owned or controlled by them): Baker Hughes, a GE company, BJ Services, Black Mountain Oil and Gas, C&J Energy Services, Calfrac Well Services Ltd., Expro International Group, Plc., Exterran Holding Inc, FTS International, General Electric, Keane Group, Liberty, Nabors Industries Ltd, National Oilwell Varco, Inc., Noble Corporation, Patterson-UTI Energy, Inc., ProPetro Services, Inc., RockPile Energy Services, RPC, Inc. (Cudd Energy Services), Schlumberger Ltd, Superior Energy Services, Inc., Tidewater Inc., Trican, Transocean Ltd., U.S. Well Services, and Weatherford International Ltd.

Include a geographic market restriction

During the non-compete/non-solicitation period, Messrs. Lesar and Brown cannot work in any business operating in North America or in Halliburton's top ten revenue producing countries outside of North America that offers, sells, or provides equipment, products, or services sold by us in our major product service lines — completion, production enhancement, cementing, and drilling. The other NEOs' geographic restriction was expanded to include all equipment, products, or services sold by us.

Prohibit NEOs from soliciting current and former Halliburton employees

The NEOs may not solicit individuals currently employed by us to leave our company at any time during the non-compete/non-solicitation period. Additionally, the NEOs cannot solicit anyone formerly employed by us during the six-month period before or after separation to affiliate with another employer.

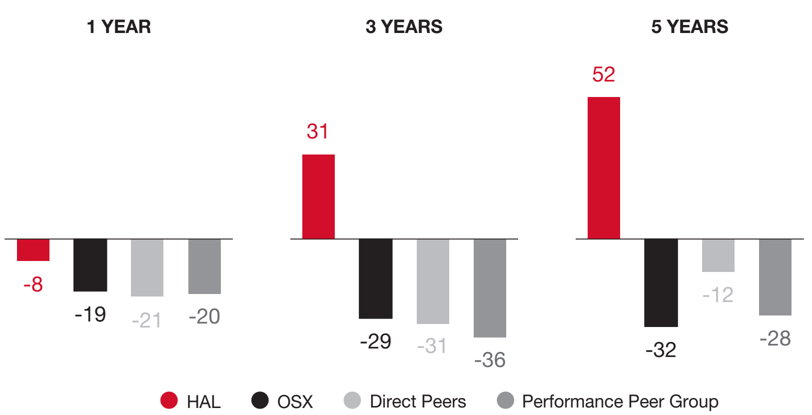
2017 Overview

Our business strengthened during 2017. We grew our global market share and moved quickly to reactivate equipment in North America to meet customer demand and enhance overall margins. We continued to focus on cost efficiencies and aligning our business with customers in the fastest growing market segments to collaborate and engineer solutions to maximize their asset value.

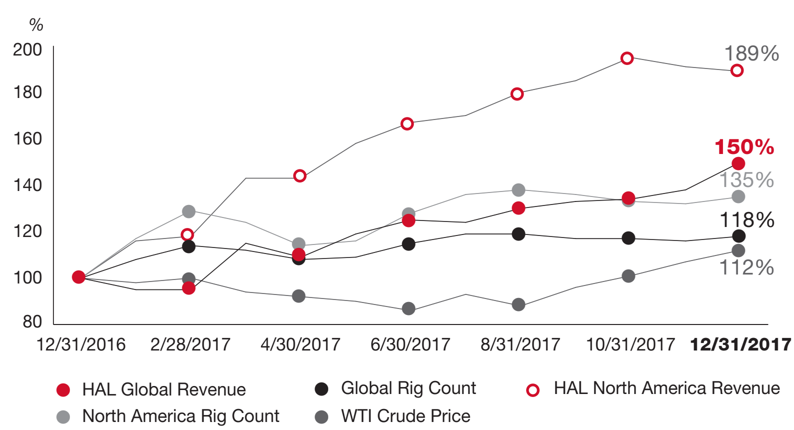
The diligence of the senior leadership team and remarkable execution by our employees worldwide, combined with the rigorous goals set by the Board of Directors to keep management focused on creating long-term value for our stockholders, drove exceptional results for the 2017 performance year:

- We generated $20.6 billion of total company revenue, a 30% increase from 2016, with our Completion and Production segment improving 47% and our Drilling and Evaluation segment improving 8%. These results were primarily driven by increased activity, utilization, and pricing in the U.S. land market associated with stimulation, well completion, and drilling services.
- We improved our North America and Completion and Production operating margins by over 1,000 basis points from 2016 levels, continuing to execute on our strategy of achieving normalized margins.
- We acquired three businesses, Summit ESP, Ingrain Inc., and Optimization Petroleum Technology. The additions of these three businesses strengthen our artificial lift, wireline, and Landmark portfolios for our global customers.
- We continued to focus on cash flow execution, generating approximately $2.5 billion in operating cash flow, retiring $1.4 billion in debt, and maintaining our dividend rate with a total payment of approximately $626 million in dividends to our stockholders.
- We delivered superior TSR over the one-, three-, and five-year period ending December 31, 2017, relative to our direct peers, the OSX, and our performance peer group. The details are depicted in the chart below:

Total Stockholder Return (TSR)
(In percentages)



The graph below depicts the outperformance of our global and North America revenue in 2017 relative to the global and North America rig count, in addition to the West Texas Intermediate (WTI) price of crude oil.



Results of 2017 Advisory Vote on Executive Compensation

Consistent with our stockholders' preference, we submit our executive compensation program to an advisory vote annually. In 2017, our compensation program received the support of 66% of the total votes cast at our Annual Meeting, lower than we would prefer and below the support we have received in the past. In response, we solicited feedback from our stockholders on topics including company strategy and performance, HS&E, governance, succession planning, and executive compensation. The feedback from this stockholder engagement effort indicated that our overall compensation program design is supported by our stockholders. For this and other reasons, the Compensation Committee determined that the overall structure of the compensation program is sound and closely aligns the interests of both company management and our stockholders.

Our Executive Compensation Program Objectives

Our executive compensation program is designed to achieve the following objectives:

- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive stockholder returns;
- Support our business strategies; and
- Maximize the return on our human resource investment.

Good Compensation Governance Practices At-A-Glance

Compensation Practice	Pursued at Halliburton?		More information
Pay for performance	**YES.**	The majority of our NEO compensation is performance based.	*p33*
Alignment between long-term objectives and the creation of stockholder value	**YES.**	Long-term incentives are at-risk and reward the achievement of value creation and performance goals while aligning management with stockholders' interests.	*p36*
Benchmarking against a relevant peer group	**YES.**	The Compensation Committee reviews market data for peer group companies as well as general industry surveys.	*p32*
Independent, External Compensation Consultant	**YES.**	Pearl Meyer provides executive compensation consulting services to the Committee.	*p31*
Stock Ownership Requirements	**YES.**	Robust executive and director stock ownership requirements.	*p15 and 40*
Hedging and Pledging Policy	**YES.**	Executives and directors are prohibited from hedging and pledging company stock, except for pre-approved charitable donation purposes.	*p40*
Clawback Policy	**YES.**	Our policy provides for the forfeiture, recovery, or reimbursement of incentive plan awards. We also report to stockholders if any clawback occurred.	*p15 and 40*
Annual "Say-on-Pay" vote	**YES.**		*p29*
Repricing of underwater stock options	**NO.**	We prohibit repricing.	
Exchange underwater options	**NO.**	We prohibit the buyout or exchange of underwater options.	
Liberal stock or option recycling	**NO.**	We prohibit liberal stock and option recycling.	
Excise tax gross-ups	**NO.**	We do not provide for excise tax gross-ups.	*p52*
Guaranteed bonuses or uncapped incentives	**NO.**	We do not provide guaranteed bonuses or uncapped incentives.	

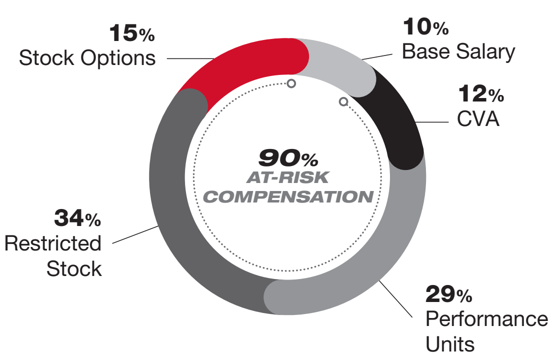
Elements of our Executive Compensation Program for Fiscal 2017

Halliburton's executive compensation program is composed of base salary, a short-term incentive, and long-term incentives, each of which is described below:

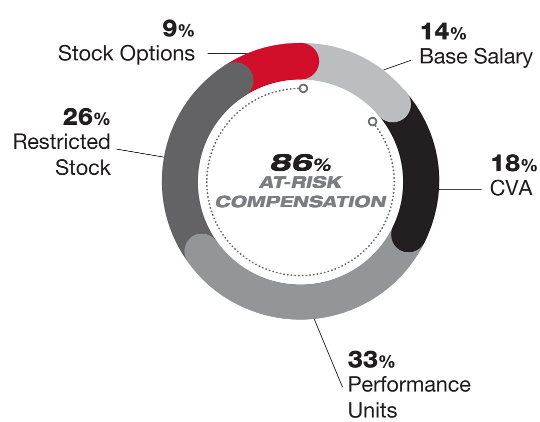
	Reward Element	Objective	Key Features	How Award Value is Calculated	2017 Decisions
FIXED	**Base Salary**	Compensates executives based on their responsibilities, experience, and skillset.	Fixed element of compensation paid in cash.	Reviewed against individual's level of skill, experience, and responsibilities. Benchmarked against a group of comparably sized corporations and industry peers.	Four NEOs' base salaries were reinstated to pre-reduction levels. Two NEOs' base salaries were increased and one NEO had his base salary reduced. (Page 34)
AT RISK	**Short-Term Incentive**	To motivate and incentivize performance over a one-year period.	Award value and measures are reviewed annually. Targets are set at the beginning of the year.	Performance is measured against Cash Value Added (CVA) performance measures.	Award values were targeted at the market median for 2017. (Page 35)
	Long-Term Incentives	To motivate and incentivize sustained performance over the long-term. Aligns interests of our NEOs with long-term stockholders.	Value is delivered 50% performance units; 35% restricted stock; and 15% stock options. Performance units are measured over three years against targets set at the beginning of the performance period.	Restricted stock and stock options have time-based vesting and value is driven by our share price. The 2017 performance units are measured against ROCE performance relative to Performance Peers.	Awards were targeted at the market median for 2017. (Page 36)

As illustrated below, the majority of our CEO's and NEOs' total direct compensation opportunity is performance-based, at-risk, and long-term. The graphs depict the mix of total target direct compensation set for our NEOs during 2017 excluding the one-time restricted stock grants for promotion and retention.

CEO Compensation Mix



Other NEO Compensation Mix[(1)]



(1) *Reflects the compensation mix of NEOs other than Mr. McCollum who resigned his position as Chief Financial Officer and as an employee on March 6, 2017.*

Setting Executive Compensation

Role of the Compensation Committee

The Compensation Committee oversees the executive compensation program and has overall responsibility for making final decisions about total compensation for all of the NEOs. As part of its annual process, the Committee works closely with senior management (as appropriate) and its independent compensation consultant. This process ensures consistency from year to year and adherence to the responsibilities listed in the Committee's Charter, which is available on our website.

Role of the CEO

The CEO does not provide recommendations concerning his own compensation, nor is he present when his compensation is discussed by the Committee. The Committee, with input from its independent compensation consultant, discusses the elements of his compensation in executive session and makes a recommendation to all of the non-management members of the Board for discussion and final approval. At the Committee's request, a member of our management team may attend the executive session to answer questions from the Committee.

The CEO, with input from the Committee's independent compensation consultant, assists the Committee in setting compensation for the other NEOs.

The following recommendations are made to the Committee for each NEO:

- **Base salary adjustments,** taking into account comparator peer group data, and the NEO's individual performance and role within the Company.
- **Performance measures, target goals, and award schedules** for incentive opportunities under our Annual Performance Pay Plan and Performance Unit Plan, with performance targets being set relative to the projected business cycle and business plan.
- **Restricted stock and stock option awards** made under the Stock and Incentive Plan, including developing and providing specific recommendations to the Committee on the aggregate number and types of shares to be awarded annually, reviewing the rationale and guidelines for annual stock awards, and recommending changes to the grant types, when appropriate.
- **Retirement awards,** which are calculated by an external actuary, under the Halliburton Company Supplemental Executive Retirement Plan, or SERP.

Use of Independent Consultants and Advisors

The Committee engaged Pearl Meyer as its independent compensation consultant during 2017. Pearl Meyer does not provide any other services to us. The primary responsibilities of the independent compensation consultant were to:

- Provide independent and objective market data;
- Conduct compensation analysis;
- Recommend potential changes to the comparator peer group and performance peer group;
- Recommend plan design changes;
- Advise on risks associated with compensation plans; and
- Review and advise on pay programs and pay levels.

These services are provided as requested by the Committee throughout the year. Based on their review of our executive compensation program, Pearl Meyer concluded that our compensation plans do not appear to present any material risks to the Company or its stockholders in the design, metrics, interaction between incentive plans, or administration of the Company's incentive plans.

Role of Benchmarking, Peer Companies, and Market Data

The Committee regularly assesses the market competitiveness of the Company's executive compensation program based on data from a comparator peer group. The companies comprising the comparator peer group are selected based on the following considerations:

- Market capitalization;
- Revenue and number of employees;
- Global impact and reach; and
- Industry affiliation.

Industry affiliation includes companies that are involved in the oil and natural gas and energy services industries. The comparator peer group is reviewed annually by the Committee to ensure relevance, with data provided to the Committee by the independent compensation consultant.

The 2017 comparator peer group was composed of the following peer companies within the energy industry, as well as selected companies representing general industry. This peer group was utilized to determine market levels of total compensation for the 2017 calendar year and is unchanged from 2016:

3M Company	Hess Corporation
Anadarko Petroleum Corporation	Honeywell International Inc.
Apache Corporation	Johnson Controls International plc
Baker Hughes, a GE Company	National Oilwell Varco, Inc.
Caterpillar Inc.	Occidental Petroleum Corporation
ConocoPhillips	Raytheon Company
Deere and Company	Schlumberger Limited
Emerson Electric Co.	Transocean Ltd.
Fluor Corporation	Weatherford International plc

Because of variances in market capitalization and revenue size among the companies comprising our comparator peer group, the market data is size adjusted by revenue as necessary so that it is comparable with our trailing 12 months revenue. These adjusted values are used as the basis of comparison of compensation between our executives and those of the comparator peer group.

Total compensation for each NEO is structured to target market competitive pay levels in base salary and short- and long-term incentive opportunities. We also place an emphasis on variable pay at risk, which enables this compensation structure to position actual pay above or below the 50th percentile of our comparator peer group depending on performance.

A consistent pre-tax, present value methodology is used in assessing stock-based and other long-term incentive awards, including the Black-Scholes model used to value stock option grants.

The independent compensation consultant gathers and performs an analysis of market data for each NEO, comparing each of their individual components of compensation, as well as total compensation to that of the comparator peer group. This competitive analysis consists of comparing the market data of each of the pay elements and total compensation at the 25th, 50th, and 75th percentiles of the comparator peer group to current compensation for each of the NEOs.

Pay for Performance Analysis

As part of its analysis, the Committee reviews one-, three-, and five-year pay for performance against our performance peer group. The review examines the degree of alignment between our ROCE performance compared to the ROCE performance of our performance peer group and our CEO's realizable compensation relative to the realizable compensation of the CEOs in our comparator peer group. We used compensation data as of December 31, 2016, for the total realizable compensation calculation which is the most current information available at the time of the Committee's review.

$$\text{ROCE} = \frac{\text{Net income} + \text{After-tax interest expense}}{\text{Stockholders' equity (average of beginning and end of period)} + \text{Debt (average of beginning and end of period)}}$$

Total realizable compensation consisted of the following:

- base salary paid;
- cash incentive payouts;
- in-the-money value of stock options grants during the one-, three-, or five-year period valued as of December 31, 2016;
- face value of restricted stock grants during the one-, three-, or five-year period valued as of December 31, 2016; and
- for performance-based awards, (i) target value for awards still outstanding as of December 31, 2016, and (ii) realized value for performance periods beginning and ending within the one-, three-, or five-year period.

This analysis demonstrated the following:

HAL ROCE Performance for One-Year Period ending December 31, 2017	HAL CEO Total Realizable Compensation for One-Year Period ending December 31, 2016
71st percentile	63rd percentile

HAL ROCE Performance for Three-Year Period ending December 31, 2017	HAL CEO Total Realizable Compensation for Three-Year Period ending December 31, 2016
79th percentile	79th percentile

HAL ROCE Performance for Five-Year Period ending December 31, 2017	HAL CEO Total Realizable Compensation for Five-Year Period ending December 31, 2016
93rd percentile	79th percentile

The Committee selected ROCE rather than TSR for this analysis because it:

- Is the best indicator of long-term performance;
- Reinforces the Company's objective for sustained long-term performance and value creation;
- Measures our profitability, as well as the efficiency by which we deploy capital;
- Is tracked and understood by our stockholders;
- Ties a part of a NEO's long-term incentive opportunity to the achievement of challenging relative ROCE targets, which will help to increase revenue, improve margins, and maintain focus on cost control; and
- Provides our management team with clear line of sight to financial results.

Based on the foregoing analysis, the Committee determined that our pay and performance are appropriately aligned.

Determination of CEO and NEO Target Total Compensation

When determining target total compensation for the CEO, the Committee takes into consideration competitive market pay levels for the CEOs in the comparator peer group. The Committee also considers the CEO's performance and accomplishments in the areas of business development and expansion, management succession, development and retention of management, ethical leadership, and the achievement of financial and operational objectives.

Each year, our CEO and the members of the Board agree upon a set of objectives addressing the following areas specified in our Corporate Governance Guidelines:

- Leadership and vision;
- Integrity;
- Keeping the Board informed on matters affecting Halliburton;
- Performance of the business;
- Development and implementation of initiatives that provide long-term economic benefits;
- Accomplishment of strategic objectives; and
- Development of management.

The Board determined that Mr. Miller met these objectives in 2017 through the following achievements:

- Managed through a seamless CEO transition (leadership and vision);
- Led the organization through the business cycle through effective stakeholder communication and maintained high visibility with employees, investors, and customers (leadership and vision);
- Maintained unwavering commitment to our Code of Business Conduct. Our overall Code of Business Conduct process is ranked as best in class across all industries by the Dow Jones Sustainability Index (integrity);
- Communicated regularly with the members of the Board providing status reports and notification of issues of concern, and provided unfettered access to management and subject matter experts (keeping the Board informed);
- Delivered superior relative performance against major competitors in terms of market share gains, relative margins, and return on capital employed for the year ended December 31, 2017. Also, maintained highest TSR over the one-, three-, and five-year period ending December 31, 2017, relative to our direct peers, the OSX, and our performance peer group (performance of the business);
- Maintained unwavering commitment to our Health, Safety and Environment program (performance of the business);
- Continued to lower the Company's effective tax rate (develop and implement initiatives that provide long-term economic benefits);
- Continued our international diversification by strengthening our international business and capitalizing on strategic merger and acquisition opportunities (accomplishment of strategic objectives); and
- Exposed the next generation of management to the Board, further enhanced the management/employee succession process, and focused senior management on talent development and diversity initiatives (development of management).

Other NEO compensation is determined similar to that of the CEO by evaluating each NEO's performance and considering the market competitive pay levels of the comparator peer group for the NEO's position.

2017 Executive Compensation Outcomes

Base Salary

The Committee generally targets base salaries at the median of the comparator peer group; however, the Committee also considers the following factors when setting base salary:

- Level of responsibility;
- Experience in current role and equitable compensation relationships among internal peers;
- Performance and leadership; and
- External factors involving competitive positioning, general economic conditions, and marketplace compensation trends.

No specific formula is applied to determine the weight of each factor.

Salary reviews are conducted annually to evaluate each executive; however, individual salaries are not necessarily adjusted each year. In order to manage fixed costs during the downturn, all of our NEOs' base salaries were reduced on April 1, 2015. These reductions continued through 2016 until they were restored to their pre-reduction levels on January 1, 2017. Additionally, the Committee approved the following base salary adjustments during 2017:

- Mr. Miller received a 30% increase in annual base salary ($1,000,000 to $1,300,000) on June 1, 2017, to reflect his promotion to President and CEO;
- Mr. Voyles received a 14.3% increase in annual base salary ($721,800 to $825,000) on March 1, 2017, to reflect his additional responsibilities as the Interim Chief Financial Officer; and
- Mr. Lesar's annual base salary was reduced by approximately 43% ($1,750,000 to $1,000,000) on June 1, 2017, to reflect his transition into the Executive Chairman role.

Base pay amounts for 2017 for all NEOs are listed in the Summary Compensation Table. Mr. Weber's starting base salary was $650,000. The Summary Compensation Table reflects the salary earned after he began working for us on June 22, 2017.

Short-term (Annual) Incentive

The Annual Performance Pay Plan is designed to reward executives and other key members of management for improving financial results that drive the creation of economic value for our stockholders and provide a means to connect individual cash compensation directly to our performance. It is administered in accordance with the terms of the Stock and Incentive Plan.

The Annual Performance Pay Plan provides an incentive to our NEOs to generate more earnings than normally expected by the investors who have provided us with capital to grow our business. We measure achievement of this objective using Cash Value Added, or CVA. CVA is a financial measurement that demonstrates the amount of economic value added to our business.

The Committee selected CVA as the sole financial measure upon which to base our Annual Performance Pay Plan because it is a key measure on which we set our performance expectations for the year and we believe it is a proven driver of value creation for stockholders of the Company. However, the Committee also considers other business performance factors that are important to our investors, including health, safety, environment, and service quality, in determining the final payout amounts under the Annual Performance Pay Plan.

CVA = Net Operating Profit After Taxes − Capital Charge

OPERATING INCOME	
+	Interest Income
+	Foreign Currency Gains (Losses)
+	Other Nonoperating Income (Expense), Net
=	**NET OPERATING PROFIT**
−	Income Taxes
=	**NET OPERATING PROFIT AFTER TAXES**
NET INVESTED CAPITAL	
X	Weighted Average Cost of Capital
=	**CAPITAL CHARGE**

CVA is computed monthly and aggregated throughout the calendar year. Adjustments in the calculation of the CVA payout may, at times, be approved by the Committee and can include the treatment of unusual items that may have impacted our actual results.

At the beginning of each plan year, the Committee approves an incentive award schedule that equates levels of CVA performance with reward opportunities paid in cash. The performance goals range from "Threshold" to "Target" to "Maximum". Threshold reflects the minimum CVA performance level which must be achieved in order for awards to be earned and Maximum reflects the maximum level that can be earned.

These goals are based on our annual operating plan, as reviewed and approved by our Board, and are set at levels to meet or exceed stockholder expectations of our performance, as well as expectations of the relative performance to our competitors. Given the cyclical nature of our business, our performance goals vary from year to year, which can similarly impact the difficulty in achieving these goals.

The Committee set the 2017 performance goals for our NEOs based on company-wide consolidated CVA results. Threshold CVA was based on 90% of planned Operating Income, Target CVA on 100% of planned Operating Income, and Maximum CVA on 110% of planned Operating Income. Net Operating Profit After Taxes was calculated excluding charges related to U.S. tax reform and a Venezuelan promissory note and accounts receivable, as the impact of these items was unknown when the targets were set in February 2017.

The Committee set the 2017 performance levels, targeted to the market median, for our NEOs based on the company-wide consolidated CVA results:

Metric	Threshold	Target	Maximum	Actual
CVA	-$721 M	-$597 M	-$474 M	-$193 M

Individual incentive award opportunities are established as a percentage of base salary at the beginning of the plan year based on market competitive targets. The maximum amount a NEO can receive is limited to two times the target opportunity level. The level of achievement of annual CVA performance determines the dollar amount of incentive compensation payable to participants following completion of the plan year.

The Committee set incentive award opportunities under the plan as follows:

NEO	Threshold	Target	Maximum
Mr. Miller	50%	125%	250%
Mr. Weber	40%	100%	200%
Mr. Brown	44%	110%	220%
Mr. Pope	40%	100%	200%
Mr. Rainey	44%	110%	220%
Mr. Voyles	40%	100%	200%
Mr. Lesar	60%	150%	300%
Mr. McCollum	40%	100%	200%

Threshold, Target, and Maximum opportunity dollar amounts can be found in the Grants of Plan-Based Awards in Fiscal 2017 table.

Over the past ten years, the Annual Performance Pay Plan achieved Maximum performance levels six times, achieved Target performance level one time, and fell short of the Threshold performance level three times, resulting in no payout.

Long-Term Incentives

The Stock and Incentive Plan is designed to reward consistent achievement of value creation and operating performance goals, align management with stockholder interests, and encourage long-term perspective and commitment. Long-term incentives represent the largest component of total executive compensation opportunity.

Our Stock and Incentive Plan provides for a variety of cash and stock-based awards, including restricted stock and units, nonqualified and incentive stock options, performance shares and units, stock appreciation rights, and stock value equivalents. Under the Stock and Incentive Plan, the Committee may, at its discretion, select from among these types of awards to establish individual long-term incentive awards.

Using a mix of incentive vehicles allows us to provide a diversified yet balanced long-term incentive program that effectively addresses volatility in our industry and in the stock market, in addition to maintaining an incentive to meet performance goals. For 2017, we used the following combination of incentive vehicles:

Vehicle	Weighting	Purpose
Performance Units	50% of Award	Rewards achievement of specific financial goals measured over a three-year performance period
Restricted Stock	35% of Award	Supports leadership retention/stability objectives
Stock Options	15% of Award	Rewards for stock price appreciation

In determining the size of long-term incentive awards, the Committee first considers market data for comparable positions and then may adjust the awards upwards or downwards based on the Committee's review of internal equity. This can result in positions of similar magnitude and pay receiving awards of varying size. The December 6, 2017, restricted stock and stock option awards for each NEO were based primarily on market data and were targeted to the market median.

Our internal stock nomination process under the Stock and Incentive Plan ensures that all award grant dates are prospective and not retroactive. For NEOs, the grant date is the day the Committee determines annual compensation actions, generally in December of each year. However, awards may be approved by the Committee throughout the year as they determine, such as for retention or performance purposes. Exercise prices for stock options are set at the closing stock price on the date of the approved grant.

2015 Cycle Performance Unit Program

The 2015 cycle Performance Unit Program provides NEOs and other selected executives with incentive opportunities based on our consolidated ROCE during a three-year performance period. This program reinforces our objectives for sustained long-term performance and value creation. It also reinforces strategic planning processes and balances short- and long-term decision making.

Based on feedback from our stockholders and to more closely align with our strategy of delivering industry-leading returns across the business cycle, we modified the metrics in our Performance Unit Program to 100% relative ROCE. The program measures ROCE on a relative basis to the results of our performance peer group used for the Performance Unit Program. The three-year performance period aligns this measurement with our and our performance peer group's business cycles.

The performance peer group used for the Performance Unit Program is comprised of oilfield equipment and services companies and domestic and international exploration and production companies. This performance peer group is used for the Performance Unit Program because these companies represent the timing, cyclicality, and volatility of the oil and natural gas industry and provide an appropriate industry group to measure our relative performance against. The peer group, disclosed in our 2016 proxy statement, was used for the 2015 cycle of the Performance Unit Program.

The table below shows the incentive opportunity based on Halliburton's ROCE performance relative to that of our performance peer group. The 2015 cycle of the Performance Unit Program ended on December 31, 2017, and we achieved average ROCE of -2.86%, which was above the 75th percentile of our performance peer group's average ROCE of -6.09% and yielded an award paid at 200% of the target opportunity level.

2015 Cycle - Performance Matrix

Halliburton Ranking vs. Performance Peer Group	Threshold 25th Percentile	Target 50th Percentile	Maximum 75th Percentile
Incentive Opportunity as a % of Target	25%	100%	200%

The NEOs received payments in 2018 as set forth in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table. The program allows for rewards to be paid in cash, stock, or a combination of cash and stock. Over the past ten years, the program has achieved Maximum performance levels five times, Target levels four times, and Threshold levels one time.

2017 Cycle Performance Unit Program

The Committee set the performance measures on a 100% relative ROCE basis for the 2017 cycle of the Performance Unit Program, with performance measured for the three-year period ending December 31, 2019.

Cameron International Corporation was removed from the performance peer group for the 2017 cycle due to its acquisition. To ensure stability in the performance peer group going forward, the Committee added two additional oilfield equipment and service companies for the 2017 cycle, Superior Energy Services, Inc. and TechnipFMC.

The performance peer group used for the 2017 Performance Unit Program consists of the following companies:

Anadarko Petroleum Corporation	Nabors Industries Ltd.
Apache Corporation	National Oilwell Varco, Inc.
Baker Hughes, a GE Company	Schlumberger Limited
Chesapeake Energy Corporation	Superior Energy Services, Inc
Devon Energy Corporation	TechnipFMC
Hess Corporation	Transocean Ltd.
Marathon Oil Corporation	Weatherford International plc
Murphy Oil Corporation	The Williams Companies, Inc.

At the end of the three-year performance period, the average ROCE of the Company and the performance peer group will be calculated and percentiles will be determined. The table below details the incentive opportunity based on Halliburton's performance relative to the performance peer group. If Halliburton's relative performance ranking is below the 25th percentile, there will be no payment. If Halliburton's relative performance ranking is between the 25th, 50th, and 75th percentiles, the payout will be interpolated accordingly.

2017 Cycle - Performance Matrix

Halliburton Ranking vs. Performance Peer Group	Threshold 25th Percentile	Target 50th Percentile	Maximum 75th Percentile
Incentive Opportunity as a % of Target	25%	100%	200%

Individual incentive opportunities are established based on market references and the NEO's role within the organization. The Threshold, Target, and Maximum columns under the heading Estimated Future Payouts Under Non-Equity Incentive Plan Awards in the Grants of Plan-Based Awards in Fiscal 2017 table indicate the potential payout for each NEO under the Performance Unit Program for the 2017 cycle. The potential payouts are performance driven and completely at risk. Actual payout amounts, if any, will not be determined until the three-year cycle closes on December 31, 2019.

Restricted Stock and Stock Options

Our restricted stock and stock option awards are granted under the Stock and Incentive Plan and are listed in the Grants of Plan-Based Awards in Fiscal 2017 table.

Restricted stock grants are generally subject to a graded vesting schedule of 20% per year over five years. However, different vesting schedules may be utilized at the discretion of the Committee. Shares of restricted stock receive dividend or dividend equivalent payments.

Stock option awards vest over a three-year graded vesting period with $33^1/_3$% of the grant vesting each year. All options are priced at the closing stock price on the date the grant is approved by the Committee.

The stock and option award columns in the Summary Compensation Table reflect the aggregate grant date fair value of the restricted stock and option awards for each NEO granted during 2017.

Supplemental Executive Retirement Plan

The objective of the Supplemental Executive Retirement Plan, or SERP, is to provide a competitive level of pay replacement upon retirement. The current pay replacement target is 75% of base salary at age 65 with 25 years of service, using the highest annual salary during the last three years of employment.

The material factors and guidelines considered in making an allocation include (i) retirement benefits provided, both qualified and nonqualified; (ii) current compensation; (iii) length of service; and (iv) years of service to normal retirement.

The calculation takes into account the following variables: (i) base salary; (ii) years of service; (iii) age; (iv) employer portion of qualified plan savings; (v) age 65 value of any defined benefit plan; and (vi) existing nonqualified plan balances and any other retirement plans.

Several assumptions are made annually and include a base salary increase percentage, qualified and nonqualified plan contributions and investment earnings, and an annuity rate. These factors are reviewed and approved annually by the Committee in advance of calculating any awards.

To determine the annual benefit, external actuaries calculate the total lump sum retirement benefit needed at age 65 from all company retirement sources to produce an annual retirement benefit of 75% of highest annual salary during the last three years of employment. Company retirement sources include any Company contributions to qualified benefit plans and contributions to nonqualified benefit plans. If the combination of these two sources does not yield a total retirement balance that will meet the 75% objective, then contributions may be made annually through the SERP to bring the total benefit up to the targeted level.

To illustrate, assume $10 million is needed at age 65 to produce an annual retirement benefit equal to 75% of base salary. The participant is projected to have $3 million in his qualified benefit plans resulting from Company contributions at retirement and $4 million in his nonqualified retirement plans at retirement. Since the total of these two sources is $7 million, a shortfall of $3 million results. This is the amount needed to achieve the 75% pay replacement objective. This shortfall may be offset through annual contributions to the SERP.

Participation in the SERP is limited to the direct reports of the CEO and other selected executives as recommended by the CEO and approved at the discretion of the Committee. However, participation one year does not guarantee future participation. In 2017, the Committee authorized retirement allocations under the SERP to all NEOs as listed in the Supplemental Table: All Other Compensation and the 2017 Nonqualified Deferred Compensation. The average annual amounts allocated over the history of participation are as follows: $589,500 for Mr. Miller; $378,000 for Mr. Weber; $611,100 for Mr. Brown; $172,800 for Mr. Pope; $507,625 for Mr. Rainey; $266,000 for Mr. Voyles; $430,875 for Mr. Lesar; and $200,643 for Mr. McCollum.

All of the NEOs, except Messrs. Voyles and Weber, are fully vested in their respective account balances. Balances for active and terminated participants earn interest at an annual rate of 5% and 10%, respectively.

Other Executive Benefits and Policies

Retirement and Savings Plan

All NEOs participate in the Halliburton Retirement and Savings Plan, which is the defined contribution benefit plan available to all eligible U.S. employees. The matching contribution amounts we contributed on behalf of each NEO are included in the Supplemental Table: All Other Compensation.

Elective Deferral Plan

All NEOs may participate in the Halliburton Elective Deferral Plan, which was established to provide highly compensated employees with an opportunity to defer earned base salary and incentive compensation in order to help meet retirement and other future income needs.

Participants may elect to defer up to 75% of their annual base salary and up to 75% of their incentive compensation into the plan. Deferral elections must be made on an annual basis, including the type and timing of distribution. Plan earnings are based on the NEO's choice of up to 12 investment options with varying degrees of risk, including the risk of loss. Investment options may be changed by the NEO daily.

In 2017, none of our NEOs participated in this plan. Messrs. Brown, Rainey, and Lesar have account balances from participation in prior years. Messrs. Miller, Weber, Pope, Voyles, and McCollum are not participants in the plan. Further details can be found in the 2017 Nonqualified Deferred Compensation table.

Benefit Restoration Plan

The Halliburton Company Benefit Restoration Plan provides a vehicle to restore qualified plan benefits which are reduced as a result of limitations on contributions imposed under the Internal Revenue Code or due to participation in other plans we sponsor and to defer compensation that would otherwise be treated as excessive remuneration within the meaning of Section 162(m) of the Internal Revenue Code. Awards are made annually to those who meet these criteria and earned interest at an annual rate as defined by the plan document. Awards and corresponding interest balances are 100% vested and distributed upon separation.

In accordance with the plan document, participants earn monthly interest at the 120% AFR rate, provided the interest rate shall be no less than 6% per annum or greater than 10% per annum. Because the 120% AFR rate was below the 6% minimum interest threshold, plan participants earn interest at an annual rate of 6% in 2017.

In 2017, all NEOs except Mr. McCollum received awards under this plan in the amounts included in the Supplemental Table: All Other Compensation and the 2017 Nonqualified Deferred Compensation table.

Perquisites

Country club memberships are limited and provided on an as-needed basis for business purposes only. Mr. Brown had a club membership in 2017.

We do not provide cars to our NEOs. However, a car and part-time driver were used by Messrs. Miller and Lesar for security purposes and so that they can work while in transit to meet customer and our needs.

A taxable benefit for executive financial planning is provided with the amount dependent on the NEO's level within the company. This benefit does not include tax return preparation. It is paid, only if used, on a reimbursable basis.

We also provided security at the personal residences of Messrs. Miller, Pope, and Lesar during 2017.

As a result of the recommendations provided by an independent, third-party security consultant, the Board has determined that Messrs. Miller and Lesar must use company aircraft for all travel. The security study also recommends that their spouses and children use company-provided aircraft. The only personal use of the company aircraft in 2017 for other NEOs is for spousal and dependent travel on select business trips.

Mr. Rainey is an expatriate under our long-term expatriate business practice. A differential is commonly paid to expatriates in assignment locations where the cost of goods and services is greater than the cost for the same goods and services in the expatriate's home country. Differentials are determined by Mercer/ORC, a third-party consultant. Mr. Rainey receives certain assignment allowances, including a goods and services differential and host country housing and utilities. He also participates in our tax equalization program, which neutralizes the tax effect of the international assignment and approximates the tax obligation the expatriate would pay in his home country.

Specific amounts for the above-mentioned perquisites are detailed for each NEO in the Supplemental Table: All Other Compensation.

Clawback Policy

We have a clawback policy under which we will seek to recoup incentive compensation in all appropriate cases paid to, awarded, or credited for the benefit of any of our executive officers, which include all NEOs, if and to the extent that:

- The amount of incentive compensation was calculated based on the achievement of financial results that were subsequently reduced due to a restatement of our financial results;
- The officer engaged in fraudulent conduct that caused the need for the restatement; and
- The amount of incentive compensation that would have been paid to, awarded, or credited for the benefit of the officer, had our financial results been properly reported, would have been lower than the amount actually paid, awarded, or credited.

The policy also provides that we will seek to recoup incentive compensation in all appropriate cases paid to, awarded to, or credited for the benefit of any of our executive officers, which include all NEOs, and certain other senior officers, if and to the extent that:

- It is determined that, in connection with the performance of that officer's duties, he or she breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, or failed to supervise an employee who substantially participated in such a violation; or
- The officer is named as a defendant in a law enforcement proceeding for having breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, the officer disagrees with the allegations relating to the proceeding, and either (A) we initiate a review and determine that the alleged action is not indemnifiable or (B) the officer does not prevail at trial, enters into a plea arrangement, agrees to the entry of a final administrative or judicial order imposing sanctions, or otherwise admits to the violation in a legal proceeding.

The disinterested members of the Board and the disinterested members of the Compensation Committee and the Nominating and Corporate Governance Committee may be involved in reviewing, considering, and making determinations regarding the officer's alleged conduct, whether recoupment is appropriate or required, and the type and amount of incentive compensation to be recouped from the officer.

The policy also provides that, to the extent permitted by applicable law and not previously disclosed in a filing with the SEC, we will disclose in our proxy statement the circumstances of any recoupment arising under the policy or that there has not been any recoupment pursuant to the policy for the prior calendar year. There was no recoupment under the policy in 2017.

Stock Ownership Requirements

We have stock ownership requirements for our executive officers, which include all the NEOs, to further align their interests with our stockholders.

Our CEO and our Chairman are required to own Halliburton common stock in an amount equal to or in excess of six times their annual base salary. Executive officers that report directly to the CEO are required to own an amount of Halliburton common stock equal to or in excess of three times their annual base salary, and all other executive officers are required to own an amount of Halliburton common stock equal to or in excess of two times their annual base salary. The Committee reviews their holdings, which include restricted shares and all other Halliburton common stock owned by the officer, at each December meeting. Each executive officer has five years to meet the requirements, measured from the later of September 12, 2011, or the date the officer first becomes subject to the ownership level for the applicable office.

After the five-year stock ownership period, as described above, executive officers who have not met their minimum ownership requirement must retain 100% of the net shares acquired upon restricted stock vesting until they achieve their required ownership level. During this time period, any stock option exercise must be an exercise and hold.

As of December 31, 2017, all NEOs met the requirements.

Hedging and Pledging

Our executive officers are prohibited from hedging activities related to Halliburton securities and the pledging of Halliburton securities, except that hedging activities in connection with or related to a bona fide charitable donation may be approved in advance at the sole discretion of the General Counsel.

Elements of Post-Termination Compensation and Benefits

Termination events that trigger payments and benefits include normal or early retirement, cause, death, disability, and voluntary termination. Post-termination or change-in-control payments may include severance, accelerated vesting of restricted stock and stock options, payments under cash-based short- and long-term incentive plans, payout of nonqualified account balances, and health benefits, among others. The Post-Termination or Change-In-Control Payment table in this proxy statement indicates the impact of various events on each element of compensation for the NEOs.

Impact of Regulatory Requirements on Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation paid to the CEO, CFO, or any of the three other most highly compensated officers to the extent the compensation exceeds $1 million in any year. Effective for tax years beginning after December 31, 2017, Section 162(m) has been revised to eliminate the performance-based compensation exception. At this time, it is not certain that our performance-based compensation for periods prior to 2018 will qualify for an exemption from the deduction limit under transition relief applicable to arrangements in place as of November 2, 2017.

Prior to the new tax law, our Stock and Incentive Plan enabled qualification of stock options, stock appreciation rights, and performance share awards, as well as short- and long-term cash performance plans under Section 162(m). Our policy is to utilize available tax deductions whenever appropriate and consistent with our compensation philosophy. When designing and implementing our executive compensation program, the Committee considers all relevant factors, including tax deductibility of compensation, and will consider the new tax law and the federal tax deductibility of compensation in excess of $1 million a year to the extent doing so is consistent with our executive compensation objectives.

Compensation Committee Report

We have reviewed and discussed the Compensation Discussion and Analysis with Company management and, based on such review and discussion, we recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION COMMITTEE

William E. Albrecht
James R. Boyd
Milton Carroll
Murry S. Gerber
Robert A. Malone
Debra L. Reed

Executive Compensation Tables

Summary Compensation Table

The following tables set forth information regarding our CEO, CFO, interim CFO, Chairman and former CEO, our three other most highly compensated executive officers, and a retired executive for the fiscal year ended December 31, 2017.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change In Pension Value and NQDC Earnings ($)	All Other Compensation ($)	Total ($)
Jeffrey A. Miller President and Chief Executive Officer	2017	1,175,000	0	10,168,098	1,506,020	8,692,468	59,532	1,477,246	23,078,364
	2016	970,000	0	2,237,972	1,169,685	3,480,500	53,541	1,085,876	8,997,574
	2015	977,500	0	2,169,515	1,179,488	2,218,718	30,615	1,084,536	7,660,372
Christopher T. Weber[(1)] Executive Vice President and Chief Financial Officer	2017	342,234	0	2,738,401	601,910	650,000	0	417,458	4,750,003
James S. Brown President – Western Hemisphere	2017	900,000	0	6,244,649	563,380	5,183,420	150,178	1,107,341	14,148,968
	2016	873,000	0	1,295,668	674,883	2,746,217	152,725	1,316,154	7,058,647
	2015	879,750	0	1,281,455	697,943	1,634,785	101,969	1,360,886	5,956,788
Lawrence J. Pope Executive Vice President, Administration and Chief Human Resources Officer	2017	675,000	0	3,400,112	401,996	3,901,040	40,850	424,352	8,843,350
Joe D. Rainey President – Eastern Hemisphere	2017	835,000	0	3,703,772	537,948	5,040,420	241,270	3,636,965	13,995,375
	2016	809,950	0	1,295,668	674,883	2,639,032	206,351	2,821,571	8,447,455
	2015	816,212	0	1,281,455	697,943	1,634,785	75,712	2,720,300	7,226,407
Robb L. Voyles[(2)] Executive Vice President, Secretary and General Counsel	2017	807,800	0	3,400,112	401,996	3,665,980	22,009	547,777	8,845,674
David J. Lesar Executive Chairman of the Board	2017	1,312,500	0	18,882,089	912,976	14,832,828	372,493	2,311,073	38,623,959
	2016	1,630,000	0	3,704,968	1,933,767	7,892,090	405,647	2,280,441	17,846,913
	2015	1,660,000	0	3,867,735	2,103,341	5,999,513	299,127	1,941,613	15,871,329
Mark A. McCollum[(3)] Former Executive Vice President and Chief Financial Officer	2017	150,000	0	0	0	0	183,278	124,867	458,145
	2016	800,250	0	985,136	513,315	2,182,439	81,686	619,222	5,182,048
	2015	806,438	0	1,102,285	599,256	1,268,190	67,574	625,526	4,469,269

(1) Effective as of June 22, 2017, Mr. Weber was hired as our Chief Financial Officer.
(2) Mr. Voyles served as interim Chief Financial Officer from March 6, 2017, until June 22, 2017.
(3) Effective as of March 6, 2017, Mr. McCollum resigned his position as our Chief Financial Officer and as an employee.

Salary. The amounts represented in the Salary column are attributable to salary earned by each NEO.

Stock Awards. The amounts in the Stock Awards column reflect the grant date fair value of the restricted stock awarded in 2017. Except where there is a distinction to make between the two types of awards, this proxy statement refers to both restricted stock and restricted stock units as "restricted stock". We calculate the fair value of restricted stock awards by multiplying the number of restricted shares or units granted by the closing stock price on the grant date. Additional information on amounts included in the Stock Awards column can be found in the CEO Succession and Leadership Transition Plan section of Compensation Discussion and Analysis.

Option Awards. The amounts in the Option Awards column reflect the grant date fair value of the stock options awarded in 2017. The fair value of stock options is estimated using the Black-Scholes option pricing model. For a discussion of the assumptions made in these valuations, refer to Note 10 to the Consolidated Financial Statements, Stock-based Compensation, in the Halliburton Company Form 10-K for the fiscal year ended December 31, 2017.

Non-Equity Incentive Plan Compensation. The amounts represented in the Non-Equity Incentive Plan Compensation column are for amounts earned in 2017 and paid in 2018 for the Halliburton Annual Performance Pay Plan and the 2015 cycle Performance Unit Program.

The 2017 Halliburton Annual Performance Pay Plan amounts paid to each NEO are: $2,500,000 for Mr. Miller; $650,000 for Mr. Weber; $1,980,000 for Mr. Brown; $1,350,000 for Mr. Pope; $1,837,000 for Mr. Rainey; $1,443,600 for Mr. Voyles; and $5,250,000 for Mr. Lesar.

The 2015 cycle Performance Unit Program amounts paid to each NEO are: $6,192,468 for Mr. Miller; $3,203,420 for Mr. Brown; $2,551,040 for Mr. Pope; $3,203,420 for Mr. Rainey; $2,222,380 for Mr. Voyles; and $9,582,828 for Mr. Lesar. The amounts paid to the NEOs for the 2015 cycle Performance Unit Program differ from what is shown in the Grants of Plan-Based Awards in Fiscal Year 2017 table under Estimated Future Payments Under Non-Equity Incentive Plan Awards. That table indicates the potential award amounts for Threshold, Target, and Maximum under the 2017 cycle Performance Unit Program, which will close on December 31, 2019.

Change in Pension Value and NQDC Earnings. The amounts in the Change in Pension Value and NQDC Earnings column are attributable to the above-market earnings for various nonqualified plans. The methodology for determining what constitutes above-market earnings is the difference between the interest rate as stated in the applicable nonqualified plan document and the Internal Revenue Service Long-Term 120% AFR rate as of December 31, 2017. The 120% AFR rate used for determining above-market earnings in 2017 was 3.16%.

Halliburton Company Supplemental Executive Retirement Plan Above-Market Earnings. The current interest rate for active and terminated participant accounts in the Halliburton Company Supplemental Executive Retirement Plan is 5% and 10% respectively, as defined by the plan document. The above-market earnings for active participants equaled 1.84% (5% (plan interest) minus 3.16%) and the above-market earnings for terminated participants equaled 6.84% (10% (plan interest) minus 3.16%) for 2017.

NEOs earned above-market earnings for their balances associated with the plan as follows: $51,192 for Mr. Miller; $111,585 for Mr. Brown; $31,717 for Mr. Pope; $69,364 for Mr. Rainey; $19,171 for Mr. Voyles; $245,240 for Mr. Lesar; and $177,736 for Mr. McCollum.

Halliburton Company Benefit Restoration Plan Above-Market Earnings. In accordance with the plan document, participants earn monthly interest at the 120% AFR rate, provided the interest rate shall be no less than 6% per annum or greater than 10% per annum. Because the 120% AFR rate was below the 6% minimum interest threshold, the above-market earnings associated with this plan were 2.84% (6% (plan interest) minus 3.16%) for 2017.

NEOs earned above-market earnings for their balances associated with the plan as follows: $8,340 for Mr. Miller; $13,688 for Mr. Brown; $9,133 for Mr. Pope; $9,668 for Mr. Rainey; $2,838 for Mr. Voyles; $105,382 for Mr. Lesar; and $5,542 for Mr. McCollum.

Halliburton Company Elective Deferral Plan Above-Market Earnings. The average earnings for the balances associated with the Halliburton Company Elective Deferral Plan were 7.9% for 2017. The above-market earnings associated with this plan equaled 4.74% (7.9% minus 3.16%) for 2017.

NEOs earned above-market earnings for balances associated with the plan as follows: $24,905 for Mr. Brown; $162,238 for Mr. Rainey; and $21,871 for Mr. Lesar. Messrs. Miller, Weber, Pope, Voyles, and McCollum are not participants in and do not have any prior balances in the Halliburton Company Elective Deferral Plan.

The amounts shown in this column differ from the amounts shown for the Supplemental Executive Retirement Plan, the Benefit Restoration Plan, and the Elective Deferral Plan in the 2017 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because that table includes all earnings and losses and the Summary Compensation Table shows above-market earnings only.

All Other Compensation. Detailed information for amounts included in the All Other Compensation column can be found in the Supplemental Table: All Other Compensation.

Supplemental Table: All Other Compensation

The following table details the components of the All Other Compensation column of the Summary Compensation Table for 2017.

Name	Financial Planning ($)	Halliburton Foundation ($)	Halliburton Giving Choices ($)	HALPAC ($)	Restricted Stock Dividends ($)	HRSP Employer Match ($)	HRSP Basic ($)	Benefit Restoration Plan ($)	SERP ($)	All Other ($)	Total ($)
Jeffrey A. Miller	4,050	112,500	970	5,000	254,873	13,000	5,400	63,350	954,000	64,103	1,477,246
Christopher T. Weber	0	0	417	0	19,558	9,027	5,400	5,056	378,000	0	417,458
James S. Brown	10,000	0	780	4,935	148,784	13,125	5,400	44,100	853,000	27,217	1,107,341
Lawrence J. Pope	0	17,308	660	5,000	77,894	9,563	5,400	28,350	244,000	36,177	424,352
Joe D. Rainey	21,420	0	0	0	0	10,438	5,400	39,550	671,000	2,889,157	3,636,965
Robb L. Voyles	10,000	45,000	600	5,000	81,343	11,697	5,400	37,646	350,000	1,091	547,777
David J. Lesar	15,000	112,500	0	5,000	374,559	13,500	5,400	72,975	1,225,000	487,139	2,311,073
Mark A. McCollum	0	0	188	0	21,985	11,783	4,713	0	0	86,198	124,867

Financial Planning. This program allows NEOs to receive financial planning services by accredited financial planners. Tax planning is not covered under this program. The amount is based on the services the NEO received in 2017.

Halliburton Foundation. The Halliburton Foundation allows NEOs and other employees to donate to approved universities, medical hospitals, and primary schools of their choice. In 2017, the Halliburton Foundation matched donations up to $20,000 on a 2.25 for 1 basis. Messrs. Miller and Lesar participate in the Halliburton Foundation's matching program for Directors, which allowed their 2017 contributions up to $50,000 to qualified organizations to be matched on a 2.25 for 1 basis.

Halliburton Giving Choices. The Halliburton Giving Choices Program allows NEOs and other employees to donate to approved not-for-profit charities of their choice. We match donations by contributing ten cents for every dollar contributed by employees. The amounts shown represent the match amounts the program donated to charities on behalf of the NEOs in 2017.

Halliburton Political Action Committee. The Halliburton Political Action Committee, or HALPAC, allows NEOs and other eligible employees to donate to political candidates and participate in the political process. We match the NEOs' and other employees' donations to HALPAC dollar-for-dollar to a 501(c)(3) status nonprofit organization of the contributor's choice. The amounts shown represent the match amounts the program donated to charities on behalf of the NEOs in 2017.

Restricted Stock Dividends. This is the amount of dividends paid on restricted stock held by NEOs in 2017. Restricted stock units granted to employees do not receive dividend payments.

Halliburton Retirement and Savings Plan Employer Match. This is the contribution we made on behalf of each NEO to the Halliburton Company Retirement and Savings Plan, our defined contribution plan. We match employee contributions up to 5% of each employee's eligible base salary up to the 401(a)(17) compensation limit of $270,000 in 2017.

Halliburton Retirement and Savings Plan Basic Contribution. This is the contribution we made on behalf of each NEO to the Halliburton Company Retirement and Savings Plan. If actively employed on December 31, 2017, or if they meet retirement eligibility requirements of the plan as of their seperation date, each employee receives a contribution equal to 2% of their eligible base pay up to the 401(a)(17) compensation limit of $270,000 in 2017.

Halliburton Company Benefit Restoration Plan. This is the award earned under the Halliburton Company Benefit Restoration Plan in 2017 as discussed in the Benefit Restoration Plan section of Compensation Discussion and Analysis. Associated interest, awards, and beginning and ending balances for the Halliburton Company Benefit Restoration Plan are included in the 2017 Nonqualified Deferred Compensation table.

Halliburton Company Supplemental Executive Retirement Plan. This is the award approved under the Halliburton Company Supplemental Executive Retirement Plan in 2017 as discussed in the Supplemental Executive Retirement Plan section of Compensation Discussion and Analysis. Associated interest, awards, and beginning and ending balances for the Halliburton Company Supplemental Executive Retirement Plan are included in the 2017 Nonqualified Deferred Compensation table.

All Other.

- *Country Club Membership Dues.* Club memberships are approved for business purposes only. During 2017, we paid club membership dues for Mr. Brown. The amount incurred was $18,000.
- *Aircraft Usage.* As a result of the recommendations provided by an independent, third-party security consultant, the Board has determined that Messrs. Miller and Lesar must use company aircraft for all travel. The security study also recommends that their spouses and children use company-provided aircraft. The only personal use of company aircraft in 2017 for other NEOs was for spousal and dependent travel on select business trips. For 2017, the incremental cost to us for this personal use of our aircraft was as follows: $10,991 for Mr. Miller; $8,113 for Mr. Pope; and $333,929 for Mr. Lesar. For total compensation purposes in 2017, we valued the incremental cost of the personal use of aircraft using a method that takes into account: landing, parking, hanger, flight planning services, and dead-head costs; crew travel expenses; supplies and catering; aircraft fuel and oil expenses per hour of flight; any customs, foreign permit, and similar fees; and

passenger ground transportation. For tax purposes, we impute income to the NEO for the value of the spousal and dependent travel on select business trips and reimburse the NEO for the tax impact of the imputed income. For 2017, tax reimbursements for imputed income associated with this spousal and dependent travel were as follows: $15,351 for Mr. Miller; $9,217 for Mr. Brown; $3,143 for Mr. Pope; $504 for Mr. Rainey; $1,091 for Mr. Voyles; $83,080 for Mr. Lesar; and $538 for Mr. McCollum.

- *Home Security.* We provide security for residences based on risk assessments which consider the NEO's position. In 2017, home security costs were as follows: $33,729 for Mr. Miller; $24,921 for Mr. Pope; and $42,917 for Mr. Lesar.
- *Car/Driver.* A car and part-time driver were used by Messrs. Miller and Lesar for security purposes and so that they can work while in transit to meet customer and our needs. In 2017, the cost to us was $4,032 and $23,047, respectively.
- *Other Compensation for Mr. Lesar.* In 2017, Mr. Lesar received $2,449 in imputed income for relocation and $1,717 for tax equalization.
- *Other Compensation for Mr. Rainey.* In 2017, Mr. Rainey received $66,537 for cost of living adjustment; $83,500 mobility premium; $2,612,012 for tax equalization; $500 for tax preparation fees; $113,701 for imputed housing allowance; and $12,907 for auto imputed allowance. All compensation amounts are associated with his expatriate assignment and other expatriates on comparable assignments receive similar types of adjustments.
- *Other Compensation for Mr. McCollum.* In 2017, Mr. McCollum's other compensation consisted of an $85,660 unused vacation payment.

Grants of Plan-Based Awards in Fiscal 2017

The following table represents amounts associated with the 2017 cycle Performance Unit Program, the 2017 Annual Performance Pay Plan, and restricted stock and stock option awards granted in 2017 to our NEOs.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards						
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($/Share)**	**Grant Date Fair Value of Stock and Option Awards ($)**
Jeffrey A. Miller		716,298	2,865,190	5,730,380(1)				
		500,000	1,250,000	2,500,000(2)				
	6/01/2017				150,000			6,823,500
	12/06/2017				77,100			3,344,598
	12/06/2017					128,500	$43.38	1,506,020
Christopher T. Weber		290,585	1,162,342	2,324,683(1)(3)				
		260,000	650,000	1,300,000(2)				
	6/22/2017				10,724			449,336
	6/22/2017				33,304			1,395,438
	6/22/2017					18,174	$41.90	199,914
	12/06/2017				20,600			893,628
	12/06/2017					34,300	$43.38	401,996
James S. Brown		413,491	1,653,962	3,307,924(1)				
		396,000	990,000	1,980,000(2)				
	6/01/2017				108,743			4,946,719
	12/06/2017				29,920			1,297,930
	12/06/2017					48,070	$43.38	563,380
Lawrence J. Pope		314,303	1,257,210	2,514,420(1)				
		270,000	675,000	1,350,000(2)				
	5/17/2017				54,089			2,506,484
	12/06/2017				20,600			893,628
	12/06/2017					34,300	$43.38	401,996

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
Joe D. Rainey		413,491	1,653,962	3,307,924(1)				
		367,400	918,500	1,837,000(2)				
	5/17/2017				54,089			2,506,484
	12/06/2017				27,600			1,197,288
	12/06/2017					45,900	$43.38	537,948
Robb L. Voyles		314,303	1,257,210	2,514,420(1)				
		288,720	721,800	1,443,600(2)				
	5/17/2017				54,089			2,506,484
	12/06/2017				20,600			893,628
	12/06/2017					34,300	$43.38	401,996
David J. Lesar		1,185,235	4,740,938	9,481,876(1)				
		1,050,000	2,625,000	5,250,000(2)				
	6/01/2017				326,229			14,840,157
	12/06/2017				93,175			4,041,932
	12/06/2017					77,899	$43.38	912,976
Mark A. McCollum(4)		314,303	1,257,210	2,514,420(1)				
		330,000	825,000	1,650,000(2)				

(1) Opportunity levels under the 2017 cycle of the Performance Unit Program.

(2) Opportunity levels under the 2017 Halliburton Annual Performance Pay Plan.

(3) The amounts reflected were the initial opportunity levels under the 2017 cycle of the Performance Unit Program for Mr. Weber. Any amounts earned under the program will be prorated based on his 6/22/2017 start date.

(4) The amounts reflected were the initial opportunity levels under the 2017 cycle of the Performance Unit Program and the 2017 Annual Performance Pay Plan for Mr. McCollum. Because of his resignation, no payment will be made to him under either Plan.

As indicated by footnote (1), the opportunities for each NEO under the 2017 cycle Performance Unit Program if the Threshold, Target, or Maximum levels are achieved are reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. The potential payouts are performance driven and completely at risk. For more information on the 2017 cycle Performance Unit Program, refer to Long-term Incentives in Compensation Discussion and Analysis.

As indicated by footnote (2), the opportunities for each NEO under the 2017 Halliburton Annual Performance Pay Plan are also reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. This plan measures company Cash Value Added as compared to our pre-established goals during a one-year period. The potential payouts are performance driven and completely at risk. For more information on the 2017 Halliburton Annual Performance Pay Program, refer to Short-term (Annual) Incentive in Compensation Discussion and Analysis. All restricted stock and nonqualified stock option awards are granted under the Stock and Incentive Plan. The awards listed under All Other Stock Awards: Number of Shares of Stock or Units and under All Other Option Awards: Number of Securities Underlying Options were awarded to each NEO on the date indicated by the Compensation Committee.

The annual restricted stock grants awarded to the NEOs on December 6, 2017, are subject to a graded vesting schedule of 20% per year over five years. The restricted stock granted to the NEOs in May and June have varying vesting schedules which are described in the footnotes to the Outstanding Equity Awards at Fiscal Year End 2017 table. All restricted shares are priced at fair market value on the date of grant. Quarterly dividends are paid on the restricted shares at the same time and rate payable on our common stock, which was $0.18 per share during 2017. The shares may not be sold or transferred until fully vested. The shares remain subject to forfeiture during the restricted period in the event of the NEO's termination of employment or an unapproved early retirement.

Nonqualified stock options granted in 2017 vest over a three-year graded vesting period with 33⅓% of the options vesting each year. All options are priced at the fair market value on the date of grant using the Black-Scholes options pricing model. There are no voting or dividend rights unless the NEO exercises the options and acquires the shares.

Outstanding Equity Awards at Fiscal Year End 2017

The following table represents outstanding stock option and restricted stock awards for our NEOs as of December 31, 2017. The market value of shares or units of stock not vested was determined by multiplying the number of unvested restricted shares at year end by the closing price of our common stock on the NYSE of $48.87 on December 31, 2017.

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock Not Vested (#)	Market Value of Shares or Units of Stock Not Vested ($)
Jeffrey A. Miller(1)	12/4/2013	55,700	–	50.62	12/4/2023	7,640	373,367
	8/1/2014	–	–			45,300	2,213,811
	12/3/2014	115,100	–	40.75	12/3/2024	24,800	1,211,976
	12/2/2015	66,134	33,066	38.95	12/2/2025	33,420	1,633,235
	12/7/2016	23,167	46,333	53.54	12/7/2026	33,440	1,634,213
	6/1/2017	–	–			150,000	7,330,500
	12/6/2017	–	128,500	43.38	12/6/2027	77,100	3,767,877
TOTAL		**260,101**	**207,899**			**371,700**	**18,164,979**
Christopher T. Weber(2)	6/22/17	–	18,174	41.90	6/22/2027	10,724	524,082
	6/22/17	–	–			33,304	1,627,566
	12/6/2017	–	34,300	43.38	12/6/2027	20,600	1,006,722
TOTAL		**0**	**52,474**			**64,628**	**3,158,370**
James S. Brown(3)	12/2/2008	–	–			19,455	950,776
	12/1/2010	26,100	–	39.19	12/1/2020	–	–
	12/6/2011	43,700	–	35.57	12/6/2021	–	–
	12/5/2012	56,900	–	33.50	12/5/2022	–	–
	12/4/2013	45,500	–	50.62	12/4/2023	6,240	304,949
	12/3/2014	59,500	–	40.75	12/3/2024	12,800	625,536
	12/2/2015	39,134	19,566	38.95	12/2/2025	19,740	964,694
	12/7/2016	13,367	26,733	53.54	12/7/2026	19,360	946,123
	6/1/2017	–	–			108,743	5,314,270
	12/6/2017	–	48,070	43.38	12/6/2027	29,920	1,462,190
TOTAL		**284,201**	**94,369**			**216,258**	**10,568,538**
Lawrence J. Pope(4)	12/1/2009	26,500	–	29.35	12/1/2019	–	–
	12/1/2010	23,000	–	39.19	12/1/2020	–	–
	12/6/2011	28,300	–	35.57	12/6/2021	–	–
	12/5/2012	38,500	–	33.50	12/5/2022	–	–
	12/4/2013	29,400	–	50.62	12/4/2023	4,040	197,435
	12/3/2014	47,400	–	40.75	12/3/2024	10,240	500,429
	12/2/2015	29,667	14,833	38.95	12/2/2025	15,000	733,050
	12/7/2016	10,167	20,333	53.54	12/7/2026	14,720	719,366
	5/17/2017	–	–			54,089	2,643,329
	12/6/2017	–	34,300	43.38	12/6/2027	20,600	1,006,722
TOTAL		**232,934**	**69,466**			**118,689**	**5,800,331**

Name	Grant Date	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Awards: Option Exercise Price ($)	Option Awards: Option Expiration Date	Stock Awards: Number of Shares or Units of Stock Not Vested (#)	Stock Awards: Market Value of Shares or Units of Stock Not Vested ($)
Joe D. Rainey[(5)]	12/6/2011	14,566	–	35.57	12/6/2021	–	–
	12/5/2012	37,933	–	33.50	12/5/2022	–	–
	12/4/2013	45,500	–	50.62	12/4/2023	6,240	304,949
	12/3/2014	59,500	–	40.75	12/3/2024	12,800	625,536
	12/2/2015	39,134	19,566	38.95	12/2/2025	19,740	964,694
	12/7/2016	13,367	26,733	53.54	12/7/2026	19,360	946,123
	5/17/2017	–	–			54,089	2,643,329
	12/6/2017	–	45,900	43.38	12/6/2027	27,600	1,348,812
TOTAL		**210,000**	**92,199**			**139,829**	**6,833,443**
Robb L. Voyles[(6)]	9/16/2013	100,000	–	49.82	9/16/2023	11,000	537,570
	12/3/2014	41,300	–	40.75	12/3/2024	8,880	433,966
	12/2/2015	27,534	13,766	38.95	12/2/2025	13,920	680,270
	12/7/2016	10,167	20,333	53.54	12/7/2026	14,720	719,366
	5/17/2017	–	–			54,089	2,643,329
	12/6/2017	–	34,300	43.38	12/6/2027	20,600	1,006,722
TOTAL		**179,001**	**68,399**			**123,209**	**6,021,223**
David J. Lesar[(7)]	12/1/2010	108,000	–	39.19	12/1/2020	–	–
	12/6/2011	141,900	–	35.57	12/6/2021	–	–
	12/5/2012	208,900	–	33.50	12/5/2022	–	–
	12/4/2013	137,900	–	50.62	12/4/2023	18,940	925,598
	12/3/2014	178,100	–	40.75	12/3/2024	38,400	1,876,608
	12/2/2015	117,934	58,966	38.95	12/2/2025	59,580	2,911,675
	12/7/2016	38,301	76,599	53.54	12/7/2026	55,360	2,705,443
	6/1/2017	–	–			326,229	15,942,811
	12/6/2017	–	77,899	43.38	12/6/2027	93,175	4,553,462
TOTAL		**931,035**	**213,464**			**591,684**	**28,915,597**

(1) Mr. Miller's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the August 1, 2014, and June 1, 2017, awards, which each vest 100% five years from the date of grant.

(2) Mr. Weber's stock option awards vest annually in equal amounts over three-year vesting schedules. Mr. Weber was granted two restricted stock awards when he began employment with us on June 22, 2017. The awards consisted of 10,724 and 33,304 grants of restricted stock which vest in equal amounts over the grant's five-year vesting schedule and 100% three years from the date of grant, respectively.

(3) Mr. Brown's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except the December 2, 2008, restricted stock award, which began vesting on the sixth anniversary of the award and vests 20% annually through year ten and the June 1, 2017, grant which vests 50% provided that he remains employed by us through December 31, 2019, or his employment is earlier terminated, other than for early retirement, cause, or a fiduciary violation. The remaining one-half of the equity grant will be valued on the termination date and paid in three equal annual installments beginning on the first anniversary of his termination.

(4) Mr. Pope's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the May 17, 2017, grant which vests 100% five years from the date of grant.

(5) Mr. Rainey's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the May 17, 2017, grant which vests 100% five years from the date of grant.

(6) Mr. Voyles' stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the May 17, 2017, grant which vests 100% five years from the date of grant.

(7) Mr. Lesar's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the June 1, 2017, grant which vests 50% provided that he remains employed by us through December 31, 2018, or his employment is earlier terminated, other than for early retirement, cause, or a fiduciary violation. The remaining one-half of the equity grant will be valued on the termination date and paid in four equal annual installments beginning on the first anniversary of his termination.

2017 Option Exercises and Stock Vested

The following table represents stock options exercised and restricted shares that vested during fiscal year 2017 for our NEOs.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Jeffrey A. Miller	–	–	102,800	4,456,616
Christopher T. Weber	–	–	–	–
James S. Brown	–	–	53,035	2,311,902
Lawrence J. Pope	9,100	40,495	23,400	1,015,598
Joe D. Rainey	–	–	32,580	1,418,481
Robb L. Voyles	–	–	23,760	1,016,328
David J. Lesar	–	–	102,020	4,324,009
Mark A. McCollum	176,635	2,537,588	–	–

The value realized for vested restricted stock awards was determined by multiplying the fair market value of the shares (closing price of our common stock on the NYSE on the vesting date) by the number of shares that vested. Shares vested on various dates throughout the year. The value listed represents the aggregate value of all shares that vested for each NEO in 2017.

2017 Nonqualified Deferred Compensation

The 2017 Nonqualified Deferred Compensation table reflects balances in our nonqualified plans as of January 1, 2017, contributions made by the NEO and us during 2017, earnings (the net of the gains and losses on funds, as applicable), distributions, and the ending balance as of December 31, 2017. The plans are described in Compensation Discussion and Analysis.

Name	**Plan**	**01/01/17 Balance ($)**	**Executive Contributions In Last Fiscal Year ($)**	**Registrant Contributions In Last Fiscal Year ($)**	**Aggregate Earnings In Last Fiscal Year ($)**	**Aggregate Distributions ($)**	**Aggregate Balance At Last Fiscal Year End ($)**
Jeffrey A. Miller	SERP	2,793,156	0	954,000	139,455	0	3,886,611
	Benefit Restoration	295,668	0	63,350	17,683	0	376,701
	TOTAL	**3,088,824**	**0**	**1,017,350**	**157,138**	**0**	**4,263,312**
Christopher T. Weber	SERP	0	0	378,000	0	0	378,000
	Benefit Restoration	0	0	5,056	0	0	5,056
	TOTAL	**0**	**0**	**383,056**	**0**	**0**	**383,056**
James S. Brown	SERP	6,082,133	0	853,000	303,780	0	7,238,913
	Benefit Restoration	485,106	0	44,100	29,017	0	558,223
	Elective Deferral	1,039,880	0	0	57,742	0	1,097,622
	TOTAL	**7,607,119**	**0**	**897,100**	**390,539**	**0**	**8,894,758**
Lawrence J. Pope	SERP	1,728,203	0	244,000	86,329	0	2,058,532
	Benefit Restoration	323,684	0	28,350	19,362	0	371,396
	TOTAL	**2,051,887**	**0**	**272,350**	**105,691**	**0**	**2,429,928**
Joe D. Rainey	SERP	3,782,288	0	671,000	188,884	0	4,642,172
	Benefit Restoration	342,660	0	39,550	20,496	0	402,706
	Elective Deferral	3,476,449	0	0	272,017	0	3,748,466
	TOTAL	**7,601,397**	**0**	**710,550**	**481,397**	**0**	**8,793,344**

Name	Plan	01/01/17 Balance ($)	Executive Contributions In Last Fiscal Year ($)	Registrant Contributions In Last Fiscal Year ($)	Aggregate Earnings In Last Fiscal Year ($)	Aggregate Distributions ($)	Aggregate Balance At Last Fiscal Year End ($)
Robb L. Voyles	SERP	1,046,675	0	350,000	52,246	0	1,448,921
	Benefit Restoration	100,675	0	37,646	6,020	0	144,341
	TOTAL	**1,147,350**	**0**	**387,646**	**58,266**	**0**	**1,593,262**
David J. Lesar	SERP	13,351,400	0	1,225,000	667,144	0	15,243,544
	Benefit Restoration	3,733,892	0	72,975	223,373	0	4,030,240
	Elective Deferral	1,339,953	0	0	84,073	19,889	1,404,137
	TOTAL	**18,425,245**	**0**	**1,297,975**	**974,590**	**19,889**	**20,677,921**
Mark A. McCollum	SERP	3,511,469	0	0	288,698	328,947	3,471,220
	Benefit Restoration	511,969	0	0	21,720	533,689	0
	TOTAL	**4,023,438**	**0**	**0**	**310,418**	**862,636**	**3,471,220**

Employment Contracts and Change-in-Control Arrangements

Employment Contracts

All of our NEOs have employment agreements with us, except Mr. McCollum, who is no longer employed by us.

Each of the NEO agreements contain substantial non-compete and non-solicitation provisions post separation that are summarized in Compensation Discussion and Analysis.

The employment agreements for Messrs. Miller, Weber, Pope, Rainey, and Voyles provide that if the agreement is terminated by the employee for good reason or by death, disability, or retirement or his employment is terminated by the company for any reason other than cause or a fiduciary violation, all restrictions on restricted stock and units will lapse. In addition, in the case of a termination by the employee for good reason or termination by the company for any reason other than cause or a fiduciary violation, the employee will receive a lump sum cash payment equal to two years of his base salary then in effect.

Mr. Brown's employment agreement provides that if the agreement is terminated by Mr. Brown for good reason or by death, disability, retirement, or early retirement or his employment is terminated by us for any reason other than cause or a fiduciary violation, all restrictions on restricted stock and units, other than a restricted stock unit grant valued at $5 million (the Brown equity grant), will lapse. In addition, provided that Mr. Brown remains employed by us through December 31, 2019, or his employment is earlier terminated for any of the above reasons other than early retirement, he will receive one-half of the value of the Brown equity grant in the form of Halliburton common stock. The remaining one-half of that equity grant will be valued on the termination date and paid in three equal annual installments beginning on the first anniversary of his termination, provided that he remains in compliance with his continuing obligations under the employment agreement. In addition, in the case of a termination by Mr. Brown for good reason or termination by the company for any reason other than cause or a fiduciary violation, Mr. Brown will receive a lump sum cash payment equal to two years of his base salary then in effect.

Mr. Lesar's employment agreement provides that if the agreement is terminated by Mr. Lesar for good reason or by death, disability, retirement, or early retirement or his employment is terminated by us for any reason other than cause or a fiduciary violation, all restrictions on restricted stock and units, other than a restricted stock unit grant valued at $15 million (the Lesar equity grant), will lapse. In addition, provided that Mr. Lesar remains employed by us through December 31, 2018, or his employment is earlier terminated for any of the above reasons other than early retirement, he will also receive (a) a lump sum cash payment of $2 million, and (b) one-half of the value of the Lesar equity grant in the form of Halliburton common stock. The remaining one-half of that equity grant will be valued on the termination date and paid in four equal annual installments beginning on the first anniversary of his termination, provided that he remains in compliance with his continuing obligations under the employment agreement.

Change-In-Control Arrangements

We do not maintain individual change-in-control agreements or provide for excise tax gross-ups on any payments associated with a change-in-control. Some of our compensation plans, however, contain change-in-control provisions, which could result in payment of specific benefits.

Under the Stock and Incentive Plan, in the event of a change-in-control, the following will occur automatically:

- any outstanding options and stock appreciation rights shall become immediately vested and fully exercisable;
- any restrictions on restricted stock awards shall immediately lapse;
- all performance measures upon which an outstanding performance award is contingent are deemed achieved and the holder receives a payment equal to the maximum amount of the award he or she would have been entitled to receive, prorated to the effective date; and
- any outstanding cash awards, including stock value equivalent awards, immediately vest and are paid based on the vested value of the award.

Under the Annual Performance Pay Plan:

- in the event of a change-in-control during a plan year, a participant will be entitled to an immediate cash payment equal to the maximum dollar amount he or she would have been entitled to for the year, prorated through the date of the change-in-control; and
- in the event of a change-in-control after the end of a plan year but before the payment date, a participant will be entitled to an immediate cash payment equal to the incentive earned for the plan year.

Under the Performance Unit Program:

- in the event of a change-in-control during a performance cycle, a participant will be entitled to an immediate cash payment equal to the maximum amount he or she would have been entitled to receive for the performance cycle, prorated to the date of the change-in-control; and
- in the event of a change-in-control after the end of a performance cycle but before the payment date, a participant will be entitled to an immediate cash payment equal to the incentive earned for that performance cycle.

Under the Employee Stock Purchase Plan, in the event of a change-in-control, unless the successor corporation assumes or substitutes new stock purchase rights:

- the purchase date for the outstanding stock purchase rights will be accelerated to a date fixed by the Compensation Committee prior to the effective date of the change-in-control; and
- upon such effective date, any unexercised stock purchase rights will expire and we will refund to each participant the amount of his or her payroll deductions made for purposes of the Employee Stock Purchase Plan that have not yet been used to purchase stock.

Post-Termination or Change-in-Control Payments

The following tables and narratives represent the impact of certain termination events or a change-in-control on each element of compensation for NEOs as of December 31, 2017.

		Termination Event						
Name	**Payments**	**Resignation ($)**	**Early Retirement w/o Approval ($)**	**Early Retirement w/Approval ($)**	**Normal Retirement ($)**	**Term for Cause ($)**	**Term w/o Cause ($)**	**Change in Control ($)**
Jeffrey A. Miller	Severance	0	0	0	0	0	2,800,000	0
	Annual Perf. Pay Plan	0	0	2,500,000	2,500,000	0	2,500,000	2,500,000
	Restricted Stock	0	0	18,164,979	18,164,979	0	18,164,979	18,164,979
	Stock Options	1,590,661	1,590,661	2,624,141	2,624,141	1,590,661	2,624,141	2,624,141
	Performance Units	0	0	6,032,612	6,032,612	0	0	6,032,612
	Nonqualified Plans	4,263,312	4,263,312	4,263,312	4,263,312	4,263,312	4,263,312	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	**5,853,973**	**5,865,973**	**33,597,044**	**33,585,044**	**5,853,973**	**30,352,432**	**29,321,732**
Christopher T. Weber	Severance	0	0	0	0	0	1,300,000	0
	Annual Perf. Pay Plan	0	0	1,300,000	1,300,000	0	1,300,000	1,300,000
	Restricted Stock	0	0	6,021,224	6,021,224	0	6,021,224	6,021,224
	Stock Options	0	0	314,980	314,980	0	314,980	314,980
	Performance Units	0	0	774,894	774,894	0	0	774,894
	Nonqualified Plans	5,056	5,056	5,056	5,056	5,056	5,056	0
	Health Benefits	0	0	0	0	0	0	0
	TOTAL	**5,056**	**5,056**	**8,416,154**	**8,416,154**	**5,056**	**8,941,260**	**8,411,098**
James S. Brown	Severance	0	0	0	0	0	1,800,000	0
	Annual Perf. Pay Plan	0	0	1,980,000	1,980,000	0	1,980,000	1,980,000
	Restricted Stock	0	0	5,254,268	10,568,538	0	10,568,538	10,568,538
	Stock Options	2,579,760	2,579,760	3,037,759	3,037,759	2,579,760	3,037,759	3,037,759
	Performance Units	0	0	3,543,978	3,543,978	0	0	3,543,978
	Nonqualified Plans	8,894,758	8,894,758	8,894,758	8,894,758	8,894,758	8,894,758	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	**11,474,518**	**11,486,518**	**22,722,763**	**28,025,033**	**11,474,518**	**26,281,055**	**19,130,275**
Lawrence J. Pope	Severance	0	0	0	0	0	1,350,000	0
	Annual Perf. Pay Plan	0	0	1,350,000	1,350,000	0	1,350,000	1,350,000
	Restricted Stock	0	0	5,800,331	5,800,331	0	5,800,331	5,800,331
	Stock Options	2,387,240	2,387,240	2,722,690	2,722,690	2,387,240	2,722,690	2,722,690
	Performance Units	0	0	2,688,707	2,688,707	0	0	2,688,707
	Nonqualified Plans	2,429,928	2,429,928	2,429,928	2,429,928	2,429,928	2,429,928	0
	Health Benefits	0	0	0	0	0	0	0
	TOTAL	**4,817,168**	**4,817,168**	**14,991,656**	**14,991,656**	**4,817,168**	**13,652,949**	**12,561,728**

		Termination Event						
Name	Payments	Resignation ($)	Early Retirement w/o Approval ($)	Early Retirement w/Approval ($)	Normal Retirement ($)	Term for Cause ($)	Term w/o Cause ($)	Change in Control ($)
Joe D. Rainey	Severance	0	0	0	0	0	1,670,000	0
	Annual Perf. Pay Plan	0	0	1,837,000	1,837,000	0	1,837,000	1,837,000
	Restricted Stock	0	0	6,833,443	6,833,443	0	6,833,443	6,833,443
	Stock Options	2,366,053	2,366,053	3,866,589	3,866,589	2,366,053	3,866,589	3,866,589
	Performance Units	0	0	3,543,978	3,543,978	0	0	3,543,978
	Nonqualified Plans	8,793,344	8,793,344	8,793,344	8,793,344	8,793,344	8,793,344	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	**11,159,397**	**11,171,397**	**24,886,354**	**24,874,354**	**11,159,397**	**23,000,376**	**16,081,010**
Robb L. Voyles	Severance	0	0	0	0	0	1,650,000	0
	Annual Perf. Pay Plan	0	0	1,443,600	1,443,600	0	1,443,600	1,443,600
	Restricted Stock	0	0	6,021,224	6,021,224	0	6,021,224	6,021,224
	Stock Options	608,493	608,493	933,359	933,359	608,493	933,359	933,359
	Performance Units	0	0	2,552,579	2,552,579	0	0	2,552,579
	Nonqualified Plans	144,341	144,341	144,341	144,341	144,341	144,341	0
	Health Benefits	0	0	0	0	0	0	0
	TOTAL	**752,834**	**752,834**	**11,095,103**	**11,095,103**	**752,834**	**10,192,524**	**10,950,762**
David J. Lesar	Severance	0	0	0	0	0	0	0
	Cash Retention	0	0	0	2,000,000	0	2,000,000	0
	Annual Perf. Pay Plan	0	0	5,250,000	5,250,000	0	5,250,000	5,250,000
	Restricted Stock	0	0	12,972,786	28,915,597	0	28,915,597	28,915,597
	Stock Options	8,759,580	8,759,580	9,772,189	9,772,189	8,759,580	9,772,189	9,772,189
	Performance Units	0	0	10,508,893	10,508,893	0	0	10,508,893
	Nonqualified Plans	20,677,921	20,677,921	20,677,921	20,677,921	20,677,921	20,677,921	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	**29,437,501**	**29,449,501**	**59,193,789**	**77,124,600**	**29,437,501**	**66,615,707**	**54,446,679**

Resignation. Resignation is defined as leaving employment with us voluntarily, without having attained early or normal retirement status (see the applicable sections below for information on what constitutes these statuses). Upon resignation, the following actions will occur for the NEO's various elements of compensation:

- *Severance Pay*. No severance would be paid to the NEO.
- *Annual Performance Pay Plan*. No payment would be made to the NEO under the Performance Pay Plan.
- *Restricted Stock*. Any restricted stock holdings would be forfeited upon the date of resignation. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2017 table.
- *Stock Options*. The NEO must exercise outstanding, vested options within 30-90 days after the NEO's resignation or the options will be forfeited as per the terms of the stock option agreements. Any unvested stock options would be forfeited. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2017 table.
- *Performance Units*. The NEO would not be eligible to receive payments under the Performance Unit Program.
- *Nonqualified Plans*. The NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2017 Nonqualified Deferred Compensation table. Payments from the Halliburton Company Supplemental Executive Retirement Plan and Halliburton Company Benefit Restoration Plan are paid out of an irrevocable grantor trust. The principal and income of the trust are treated as our assets and income for federal income tax purposes and are subject to the claims of our general creditors to the extent provided in the plan. The Halliburton Elective Deferral Plan is unfunded and we make payments from our general assets. Payments from these plans may be paid in a lump sum or in annual installments for a maximum ten-year period.
- *Health Benefits*. The NEO is not eligible for the $12,000 credit to assist in paying for retiree medical costs.

Early Retirement. A NEO becomes eligible for early retirement when the NEO has attained age 55 with ten years of service or when the NEO's age and years of service equals 70 points. Eligibility for early retirement does not guarantee retention of stock awards (lapse of forfeiture restrictions on restricted stock and ability to exercise outstanding options for the remainder of the stated term). Early retirement eligibility is a condition that must be met before the Compensation Committee will consider retention of stock awards upon separation from employment. For example, if a NEO is eligible for early retirement but is leaving us to go to work for a competitor, then the NEO's stock awards would not be considered for retention.

Early Retirement (Without Approval). The impact on the NEO's various elements of compensation is the same as described under Resignation except as follows:

- *Health Benefits*. A NEO that was age 40 or older as of December 31, 2004, and qualifies for early retirement under our health and welfare plans, which require that the NEO has attained age 55 with ten years of service or that the NEO's age and years of service equals 70 points with a minimum of ten years of service, is eligible for a $12,000 credit toward retiree medical costs incurred prior to age 65. The credit is only applicable if the NEO chooses Halliburton retiree medical coverage. This benefit is amortized as a monthly credit applied to the cost of retiree medical coverage based on the number of months from the time of early retirement to age 65. For example, if a NEO is 10 years or 120 months away from age 65 at the time of the NEO's early retirement, the NEO will receive a monthly credit in the amount of $100 ($12,000/120 months). Should the NEO choose not to elect coverage with Halliburton after the NEO's separation, the NEO would not receive any cash in lieu of the credit.

Early Retirement (With Approval). The following actions will occur for the NEO's various elements of compensation:

- *Severance Pay*. No severance would be paid to the NEO.
- *Annual Performance Pay Plan*. If the NEO retires prior to the end of the plan year for any reason other than death or disability, he would forfeit any payment due under the plan, unless the Compensation Committee determines that the payment should be prorated for the partial plan year. These payments usually occur no later than the end of February in the year following the plan year.
- *Restricted Stock*. Any stock holdings restrictions would lapse upon the date of retirement. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2017 table.
- *Stock Options*. The NEO will be granted retention of the NEO's option awards. The unvested awards will continue to vest per the vesting schedule outlined in the NEO stock option agreements and any vested options will not expire until 10 years from the grant award date. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2017 table.
- *Performance Units*. The NEO will participate on a prorated basis for any Performance Unit Program cycles that have not been completed at the time of the NEO's retirement. These payments, if earned, are paid out and the NEO would receive payments at the same time as other participants, which is usually no later than March of the year following the close of the cycle.
- *Nonqualified Plans*. The NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2017 Nonqualified Deferred Compensation table. Refer above to Resignation for more information on Nonqualified Plans.
- *Health Benefits*. Same as described under Early Retirement (Without Approval).

Normal Retirement. A NEO would be eligible for normal retirement should the NEO cease employment at age 65 or later. The impact on the NEO's various elements of compensation is the same as described under Early Retirement (With Approval) except as follows:

- *Cash Retention.* Mr. Lesar will receive a payment of $2 million.
- *Performance Units*. Mr. Lesar's participation in the 2017 Performance Unit Program will not be prorated.
- *Health Benefits*. The NEO is not eligible for the $12,000 credit to assist in paying for retiree medical costs.

Termination (For Cause). Should we terminate a NEO for cause, such as violating our Code of Business Conduct, the impact on the NEO's various elements of compensation is the same as described under Resignation.

Termination (Without Cause). Should we terminate a NEO without cause, such as termination at our convenience, then the provisions of the NEO's employment agreement related to severance payments and lapsing of stock restrictions would apply. Payments for these items are conditioned on a release agreement being executed by the NEO. The impact on the NEO's various elements of compensation is the same as described under Normal Retirement except as follows:

- *Severance Pay*. Severance is paid according to terms of the applicable employment agreement. Messrs. Miller, Weber, Brown, Pope, Rainey, and Voyles would receive severance in the amount of two times base salary at the time of termination. Mr. Lesar's employment agreement does not provide for a severance payment.
- *Cash Retention.* Mr. Lesar will receive a payment of $2 million.
- *Performance Units.* No payment would be paid to the NEO under the Performance Unit Program.

Change-in-Control. Should a change-in-control take place, the following actions will occur for the NEO's various elements of compensation:

- *Annual Performance Pay Plan*. In the event of a change-in-control during a plan year, the NEO is entitled to an immediate cash payment equal to the maximum dollar amount he or she would have been entitled to for the year, prorated through the date of the change-in-control. In the event of a change-in-control after the end of a plan year but before the payment date, the NEO is entitled to an immediate cash payment equal to the incentive earned for the plan year.
- *Restricted Stock*. Restricted shares under the Stock and Incentive Plan are automatically vested. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2017 table.
- *Stock Options*. Any outstanding options shall become immediately vested and fully exercisable by the NEO. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2017 table.
- *Performance Units*. In the event of a change-in-control during a performance cycle, the NEO will be entitled to an immediate cash payment equal to the maximum amount he or she would have been entitled to receive for the performance cycle, prorated to the date of the change-in-control. In the event of a change-in-control after the end of a performance cycle but before the payment date, the NEO will be entitled to an immediate cash payment equal to the incentive earned for that performance cycle.

Equity Compensation Plan Information

The following table provides certain information, as of December 31, 2017, with respect to our equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	20,984,065	$ 44.92	47,566,921
Equity compensation plans not approved by security holders	—	—	—
TOTAL	**20,984,065**	**$ 44.92**	**47,566,921**

CEO Pay Ratio

For 2017, the annual total compensation of our CEO was 290 times the median of the annual total compensation of all employees, based on annual total compensation of $23,091,346 for the CEO and $79,636 for the median employee. This disclosure is based on an October 1, 2017, employee population of 52,833, of which 21,862 were U.S. employees and 30,971 were non-U.S. employees. We excluded from this employee population 2,637 non-U.S. employees from 47 countries as the total number of employees from these non-U.S. jurisdictions was less than 5% of our total employee population. After applying the exclusion, the total employee population was 50,196.

Non-U.S. Employee Country Exclusions

Country	Headcount	Country	Headcount	Country	Headcount	Country	Headcount
Ecuador	442	Cameroon	55	Chile	17	Ukraine	4
Azerbaijan	417	Panama	51	Spain	14	Hungary	3
Kazakhstan	378	Poland	48	Belgium	11	Kenya	3
Congo	158	Romania	46	Philippines	11	Uganda	3
Germany	113	France	35	Mozambique	10	Switzerland	2
Italy	113	Papua New Guinea	31	Turkmenistan	7	Equatorial Guinea	2
Netherlands	110	Bangladesh	28	Tanzania	7	Turkey	2
Bolivia	109	Denmark	27	Austria	6	South Africa	2
Trinidad & Tobago	84	Peru	23	Cyprus	6	Albania	1
Ghana	64	Suriname	23	Israel	5	Bulgaria	1
New Zealand	59	Cote d'Ivoire	21	South Korea	4	Gabon	1
Vietnam	57	Japan	19	Myanmar	4		

The median employee was identified using base pay, overtime pay, bonuses, allowances, and premiums. We used the total gross wages of all employees as of our determination date of October 1, 2017, as a reasonable estimate of the median total gross wages for the employee population and identified all employees within 1% of the median total gross wages. From this group we selected an employee as a reasonable representative of our median employee. Annual total compensation for both the CEO and the median employee was calculated in accordance with Item 402(c)(2)(x) of Regulation S-K. The annual total compensation for our CEO includes both the amount reported in the "Total" column of our 2017 Summary Compensation Table, $23,078,364, and the estimated value of our CEO's health and welfare benefits, $12,982. Due to the flexibility afforded in calculating the CEO pay ratio, the ratio may not be comparable to CEO pay ratios presented by other companies.

Additional Information

Involvement in Certain Legal Proceedings

There are no legal proceedings to which any of our Directors, executive officers, or any associate of any of our Directors or executive officers is a party adverse to us or has a material interest adverse to us.

Advance Notice Procedures

Under our By-laws, no business, including nominations of a person for election as a director, may be brought before an Annual Meeting unless it is specified in the notice of the Annual Meeting or is otherwise brought before the Annual Meeting by or at the direction of the Board or by a stockholder who meets the requirements specified in our By-laws and has delivered notice to us (containing the information specified in the By-laws). To be timely, a stockholder's notice for matters to be brought before the Annual Meeting of Stockholders in 2019 must be delivered to or mailed and received at our principal executive office, 3000 N. Sam Houston Parkway East, Administration Building, Houston, TX 77032, not less than 90 days nor more than 120 days prior to the anniversary date of the 2018 Annual Meeting of Stockholders, or no later than February 15, 2019, and no earlier than January 16, 2019. These requirements are separate from and in addition to the SEC's requirements that a stockholder must meet in order to have a stockholder proposal included in our proxy statement. This advance notice requirement does not preclude discussion by any stockholder of any business properly brought before the Annual Meeting in accordance with these procedures.

Proxy Solicitation Costs

We are soliciting the proxies accompanying this proxy statement and we will bear the cost of soliciting those proxies. We have retained Innisfree M&A Incorporated to aid in the solicitation of proxies. For these services, we will pay Innisfree a fee of $17,500 and reimburse it for out-of-pocket disbursements and expenses. Our officers and employees may solicit proxies personally and by telephone or other electronic communications with some stockholders if proxies are not received promptly. We will, upon request, reimburse banks, brokers, and others for their reasonable expenses in forwarding proxies and proxy materials to beneficial owners of our stock.

Stockholder Proposals for the 2019 Annual Meeting

Stockholders interested in submitting a proposal for inclusion in the proxy materials for the Annual Meeting of Stockholders in 2019 may do so by following the procedures prescribed in SEC Rule 14a-8. To be eligible for inclusion, stockholder proposals must be received by our Corporate Secretary at 3000 N. Sam Houston Parkway East, Administration Building, Houston, TX 77032, no later than December 4, 2018. The 2019 Annual Meeting will be held on May 15, 2019.

Other Matters

As of the date of this proxy statement, we know of no business that will be presented for consideration at the Annual Meeting other than the matters described in this proxy statement. If any other matters should properly come before the Annual Meeting for action by stockholders, it is intended that proxies will be voted on those matters in accordance with the judgment of the person or persons voting the proxies.

By Authority of the Board of Directors,

Robb L. Voyles
Executive Vice President, Secretary and General Counsel
April 3, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2017

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ______ to ______

Commission File Number 001-03492

HALLIBURTON COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**75-2677995**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3000 North Sam Houston Parkway East
Houston, Texas 77032
(Address of principal executive offices)
Telephone Number – Area code (281) 871-2699

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock par value $2.50 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[X]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	(Do not check if a smaller reporting company)	
Smaller reporting company	[ ]	Emerging growth company	[ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of Halliburton Company Common Stock held by nonaffiliates on June 30, 2017, determined using the per share closing price on the New York Stock Exchange Composite tape of $42.71 on that date, was approximately $37.1 billion.

As of February 2, 2018, there were 874,909,834 shares of Halliburton Company Common Stock, $2.50 par value per share, outstanding.

Portions of the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) are incorporated by reference into Part III of this report.

HALLIBURTON COMPANY
Index to Form 10-K
For the Year Ended December 31, 2017

PART I

Item 1. Business.

General description of business

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. With approximately 55,000 employees, representing 140 nationalities in approximately 70 countries, we help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Completion and Production delivers cementing, stimulation, intervention, pressure control, specialty chemicals, artificial lift and completion products and services. The segment consists of the following product service lines:

- Production Enhancement: includes stimulation services and sand control services. Stimulation services optimize oil and natural gas reservoir production through a variety of pressure pumping services, nitrogen services and chemical processes, commonly known as hydraulic fracturing and acidizing. Sand control services include fluid and chemical systems and pumping services for the prevention of formation sand production.
- Cementing: involves bonding the well and well casing while isolating fluid zones and maximizing wellbore stability. Our cementing product service line also provides casing equipment.
- Completion Tools: provides downhole solutions and services to our customers to complete their wells, including well completion products and services, intelligent well completions, liner hanger systems, sand control systems and service tools.
- Production Solutions: provides customized well intervention solutions to increase well performance, which includes coiled tubing, hydraulic workover units and downhole tools.
- Pipeline & Process Services: provides a complete range of pre-commissioning, commissioning, maintenance and decommissioning services to the onshore and offshore pipeline and process plant construction, commissioning and maintenance industries.
- Multi-Chem: provides customized specialty oilfield production and completion chemicals and services to maximize production, ensure integrity of well and pipeline assets and address production, processing and transportation challenges.
- Artificial Lift: provides services to maximize reservoir and wellbore recovery by applying lifting technology, intelligent field management solutions and related services throughout the life of the well, including electrical submersible pumps and progressive cavity pumps.

Drilling and Evaluation provides field and reservoir modeling, drilling, evaluation and precise wellbore placement solutions that enable customers to model, measure, drill and optimize their well construction activities. The segment consists of the following product service lines:

- Baroid: provides drilling fluid systems, performance additives, completion fluids, solids control, specialized testing equipment and waste management services for oil and natural gas drilling, completion and workover operations.
- Sperry Drilling: provides drilling systems and services that offer directional control for precise wellbore placement while providing important measurements about the characteristics of the drill string and geological formations while drilling wells. These services include directional and horizontal drilling, measurement-while-drilling, logging-while-drilling, surface data logging, multilateral systems, underbalanced applications and rig site information systems.
- Wireline and Perforating: provides open-hole logging services that supply information on formation evaluation and reservoir fluid analysis, including formation lithology, rock properties and reservoir fluid properties. Also offered are cased-hole and slickline services, including perforating, pipe recovery services, through-casing formation evaluation and reservoir monitoring, casing and cement integrity measurements and well intervention services.
- Drill Bits and Services: provides roller cone rock bits, fixed cutter bits, hole enlargement and related downhole tools and services used in drilling oil and natural gas wells. In addition, coring equipment and services are provided to acquire cores of the formation drilled for evaluation.
- Landmark Software and Services: supplies integrated exploration, drilling and production software and related professional and data management services for the upstream oil and natural gas industry.

- Testing and Subsea: provides acquisition and analysis of dynamic reservoir information and reservoir optimization solutions to the oil and natural gas industry through a broad portfolio of test tools, data acquisition services, fluid sampling, surface well testing and subsea safety systems.
- Consulting and Project Management: provides integrated solutions to our customers by leveraging the full line of our oilfield services, products and technologies to solve customer challenges throughout the oilfield lifecycle. It includes project management, consulting, integrated asset management and well control and prevention services.

See Note 2 to the consolidated financial statements for further financial information related to each of our business segments. We have manufacturing operations in various locations, the most significant of which are located in the United States, Canada, Malaysia, Singapore and the United Kingdom.

Business strategy

Our value proposition is to collaborate and engineer solutions to maximize asset value for our customers. We strive to achieve superior growth and returns for our shareholders by delivering technology and services that improve efficiency, increase recovery and maximize production for our customers. Our objectives are to:

- create a balanced portfolio of services and products supported by global infrastructure and anchored by technological innovation to further differentiate our company;
- reach a distinguished level of operational excellence that reduces costs and creates real value;
- preserve a dynamic workforce by being a preferred employer to attract, develop and retain the best global talent; and
- uphold our strong ethical and business standards, and maintain the highest standards of health, safety and environmental performance.

For further discussion on our business strategies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Executive Overview."

Markets and competition

We are one of the world's largest diversified energy services companies. Our services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of our services and products include: price; service delivery; health, safety and environmental standards and practices; service quality; global talent retention; understanding the geological characteristics of the hydrocarbon reservoir; product quality; warranty; and technical proficiency.

We conduct business worldwide in approximately 70 countries. The business operations of our divisions are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. In 2017, 2016 and 2015, based on the location of services provided and products sold, 53%, 41% and 44% of our consolidated revenue was from the United States. No other country accounted for more than 10% of our consolidated revenue during these periods. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information about our geographic operations. Because the markets for our services and products are vast and cross numerous geographic lines, it is not practicable to provide a meaningful estimate of the total number of our competitors. The industries we serve are highly competitive, and we have many substantial competitors. Most of our services and products are marketed through our service and sales organizations.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, and other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would be materially adverse to our business, consolidated results of operations or consolidated financial condition.

Information regarding our exposure to foreign currency fluctuations, risk concentration and financial instruments used to minimize risk is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk" and in Note 12 to the consolidated financial statements.

Customers

Our revenue from continuing operations during the past three years was derived from the sale of services and products to the energy industry. No customer represented more than 10% of our consolidated revenue in any period presented.

Raw materials

Raw materials essential to our business are normally readily available. Market conditions can trigger constraints in the supply of certain raw materials, such as proppants (primarily sand), hydrochloric acid and gels, including guar gum (a blending additive used in hydraulic fracturing). We are always seeking ways to ensure the availability of resources, as well as manage costs of raw materials. Our procurement department uses our size and buying power to enhance our access to key materials at competitive prices.

Research and development costs

We maintain an active research and development program. The program improves products, processes and engineering standards and practices that serve the changing needs of our customers, such as those related to high pressure and high temperature environments, and also develops new products and processes. Our expenditures for research and development activities were $360 million in 2017, $329 million in 2016 and $487 million in 2015.

Patents

We own a large number of patents and have pending a substantial number of patent applications covering various products and processes. We are also licensed to utilize technology covered by patents owned by others, and we license others to utilize technology covered by our patents. We do not consider any particular patent to be material to our business operations.

Seasonality

Weather and natural phenomena can temporarily affect the performance of our services, but the widespread geographical locations of our operations mitigate those effects. Examples of how weather can impact our business include:

- the severity and duration of the winter in North America can have a significant impact on natural gas storage levels and drilling activity;
- the timing and duration of the spring thaw in Canada directly affects activity levels due to road restrictions;
- typhoons and hurricanes can disrupt coastal and offshore operations; and
- severe weather during the winter normally results in reduced activity levels in the North Sea and Russia.

Additionally, customer spending patterns for software, completion tools and various other oilfield services and products typically result in higher activity in the fourth quarter of the year.

Employees

At December 31, 2017, we employed approximately 55,000 people worldwide compared to approximately 50,000 at December 31, 2016. At December 31, 2017, approximately 13% of our employees were subject to collective bargaining agreements. Based upon the geographic diversification of these employees, we do not believe any risk of loss from employee strikes or other collective actions would be material to the conduct of our operations taken as a whole.

Environmental regulation

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For further information related to environmental matters and regulation, see Note 7 to the consolidated financial statements and Item 1(a), “Risk Factors.”

Hydraulic fracturing

Hydraulic fracturing is a process that creates fractures extending from the well bore into the rock formation to enable natural gas or oil to move more easily from the rock pores to a production conduit. A significant portion of our Completion and Production segment provides hydraulic fracturing services to customers developing shale natural gas and shale oil. From time to time, questions arise about the scope of our operations in the shale natural gas and shale oil sectors, and the extent to which these operations may affect human health and the environment.

At the direction of our customer, we design and generally implement a hydraulic fracturing operation to 'stimulate' the well's production, once the well has been drilled, cased and cemented. Our customer is generally responsible for providing the base fluid (usually water) used in the hydraulic fracturing of a well. We generally supply the proppant (primarily sand) and at least a portion of the additives used in the overall fracturing fluid mixture. In addition, we mix the additives and proppant with the base fluid and pump the mixture down the wellbore to create the desired fractures in the target formation. The customer is responsible for disposing and/or recycling for further use any materials that are subsequently produced or pumped out of the well, including flowback fluids and produced water.

As part of the process of constructing the well, the customer will take a number of steps designed to protect drinking water resources. In particular, the casing and cementing of the well are designed to provide 'zonal isolation' so that the fluids pumped down the wellbore and the oil and natural gas and other materials that are subsequently pumped out of the well will not come into contact with shallow aquifers or other shallow formations through which those materials could potentially migrate to freshwater aquifers or the surface.

The potential environmental impacts of hydraulic fracturing have been studied by numerous government entities and others. In 2004, the United States Environmental Protection Agency (EPA) conducted an extensive study of hydraulic fracturing practices, focusing on coalbed methane wells, and their potential effect on underground sources of drinking water. The EPA's study concluded that hydraulic fracturing of coalbed methane wells poses little or no threat to underground sources of drinking water. In December 2016, the EPA released a final report, "*Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States*" representing the culmination of a six-year study requested by Congress. While the EPA report noted a potential for some impact to drinking water sources caused by hydraulic fracturing, the agency confirmed the overall incidence of impacts is low. Moreover, a number of the areas of potential impact identified in the report involve activities for which we are not generally responsible, such as potential impacts associated with withdrawals of surface water for use as a base fluid and management of wastewater.

We have made detailed information regarding our fracturing fluid composition and breakdown available on our internet web site at www.halliburton.com. We also have proactively developed processes to provide our customers with the chemical constituents of our hydraulic fracturing fluids to enable our customers to comply with state laws as well as voluntary standards established by the Chemical Disclosure Registry, www.fracfocus.org.

We have also invested considerable resources in developing hydraulic fracturing technologies, in both the equipment and chemistry portions of our business, which offer our customers a variety of environment-friendly alternatives related to the use of hydraulic fracturing fluid additives and other aspects of our hydraulic fracturing operations. We created a hydraulic fracturing fluid system comprised of materials sourced entirely from the food industry. In addition, we have engineered a process that uses ultraviolet light to control the growth of bacteria in hydraulic fracturing fluids, allowing customers to minimize the use of chemical biocides. We are committed to the continued development of innovative chemical and mechanical technologies that allow for more economical and environmentally friendly development of the world's oil and natural gas reserves, and that reduce noise while complying with Tier 4 lower emission legislation.

In evaluating any environmental risks that may be associated with our hydraulic fracturing services, it is helpful to understand the role that we play in the development of shale natural gas and shale oil. Our principal task generally is to manage the process of injecting fracturing fluids into the borehole to 'stimulate' the well. Thus, based on the provisions in our contracts and applicable law, the primary environmental risks we face are potential pre-injection spills or releases of stored fracturing fluids and potential spills or releases of fuel or other fluids associated with pumps, blenders, conveyors, or other above-ground equipment used in the hydraulic fracturing process.

Although possible concerns have been raised about hydraulic fracturing, the circumstances described above have helped to mitigate those concerns. To date, we have not been obligated to compensate any indemnified party for any environmental liability arising directly from hydraulic fracturing, although there can be no assurance that such obligations or liabilities will not arise in the future. For further information on risks related to hydraulic fracturing, see Item 1(a), "Risk Factors."

Working capital

We fund our business operations through a combination of available cash and equivalents, short-term investments and cash flow generated from operations. In addition, our revolving credit facility is available for additional working capital needs.

Web site access

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934 are made available free of charge on our internet web site (www.halliburton.com) as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the Securities and Exchange Commission (SEC). The public may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site (www.sec.gov) that contains our reports, proxy and information statements and our other SEC filings. We have posted on our web site our Code of Business Conduct, which applies to all of our employees and Directors and serves as a code of ethics for our principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions. Any amendments to our Code of Business Conduct or any waivers from provisions of our Code

of Business Conduct granted to the specified officers above are disclosed on our web site within four business days after the date of any amendment or waiver pertaining to these officers. There have been no waivers from provisions of our Code of Business Conduct for the years 2017, 2016, or 2015. Except to the extent expressly stated otherwise, information contained on or accessible from our web site or any other web site is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report.

Executive Officers of the Registrant

The following table indicates the names and ages of the executive officers of Halliburton Company as of February 9, 2018, including all offices and positions held by each in the past five years:

Name and Age	Offices Held and Term of Office
Anne L. Beaty (Age 61)	Senior Vice President, Finance of Halliburton Company, since March 2017
	Senior Vice President, Internal Assurance Services of Halliburton Company, November 2013 to March 2017
	Vice President, Internal Audit and Controls of Halliburton Company, January 2007 to November 2013
James S. Brown (Age 63)	President, Western Hemisphere of Halliburton Company, since January 2008
Eric J. Carre (Age 51)	Executive Vice President, Global Business Lines of Halliburton Company, since May 2016
	Senior Vice President, Drilling and Evaluation Division of Halliburton Company, June 2011 to April 2016
Charles E. Geer, Jr. (Age 47)	Vice President and Corporate Controller of Halliburton Company, since January 2015
	Vice President, Finance of Halliburton Company, December 2013 to December 2014
	Vice President and Chief Accounting Officer of Select Energy Services, April 2011 to November 2013
Myrtle L. Jones (Age 58)	Senior Vice President, Tax of Halliburton Company, since March 2013
	Senior Managing Director of Tax and Internal Audit, Service Corporation International, February 2008 to February 2013
David J. Lesar (Age 64)	Executive Chairman of the Board of Directors of Halliburton Company, since August 2000
	Chief Executive Officer of Halliburton Company, August 2014 to May 2017
	President and Chief Executive Officer of Halliburton Company, August 2000 to July 2014
Timothy M. McKeon (Age 45)	Vice President and Treasurer of Halliburton Company, since January 2014
	Assistant Treasurer of Halliburton Company, September 2011 to December 2013
Jeffrey A. Miller (Age 54)	President and Chief Executive Officer of Halliburton Company, since June 2017
	President of Halliburton Company, August 2014 to May 2017
	Member of the Board of Directors of Halliburton Company, since August 2014
	Executive Vice President and Chief Operating Officer of Halliburton Company, September 2012 to July 2014

Lawrence J. Pope (Age 49)	Executive Vice President of Administration and Chief Human Resources Officer of Halliburton Company, since January 2008
Joe D. Rainey (Age 61)	President, Eastern Hemisphere of Halliburton Company, since January 2011
Robb L. Voyles (Age 60)	Executive Vice President, Secretary and General Counsel of Halliburton Company, since May 2015 Interim Chief Financial Officer of Halliburton Company, March 2017 to June 2017 Executive Vice President and General Counsel of Halliburton Company, January 2014 to April 2015 Senior Vice President, Law of Halliburton Company, September 2013 to December 2013 Partner, Baker Botts L.L.P., January 1989 to August 2013
Christopher T. Weber (Age 45)	Executive Vice President and Chief Financial Officer of Halliburton Company, since June 2017 Senior Vice President and Chief Financial Officer of Parker Drilling Company, May 2013 to May 2017 Vice President and Treasurer of Ensco plc, from 2011 to May 2013

There are no family relationships between the executive officers of the registrant or between any director and any executive officer of the registrant.

Item 1(a). Risk Factors.

The statements in this section describe the known material risks to our business and should be considered carefully.

Trends in oil and natural gas prices affect the level of exploration, development and production activity of our customers and the demand for our services and products, which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Demand for our services and products is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of other economic factors that are beyond our control. Crude oil prices have fluctuated significantly since 2014, with West Texas Intermediate (WTI) oil spot prices declining from a high of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, and subsequently increasing to reach a high of $60 per barrel in December 2017. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations."

The reduction in oil and natural gas prices in 2015 through 2016 depressed levels of exploration, development and production activity and negatively impacted our operating results during those periods. Although commodity prices improved in 2017, average prices remained well below 2014 levels. Any prolonged reductions of commodity prices could once again have a material adverse effect on our business, consolidated results of operations and consolidated financial condition, including potential asset impairments and severance costs. Given the long-term nature of many large-scale development projects, even the perception of longer-term lower oil and natural gas prices by oil and natural gas companies can similarly cause them to reduce or defer major expenditures. We also have a small number of integrated projects that have remuneration tied to hydrocarbon production. Reduction in oil and gas prices can affect the overall returns for these projects, either lengthening the time until the expected returns are realized or by impairing the value of the asset.

Factors affecting the prices of oil and natural gas include:

- the level of supply and demand for oil and natural gas;
- governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- weather conditions and natural disasters;
- worldwide political, military and economic conditions;
- the ability or willingness of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain oil production levels;
- the level of oil production by non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- the cost of producing and delivering oil and natural gas; and
- increased demand for alternative fuels and electric vehicles, including government initiatives to promote the use of renewable energy sources and public sentiment around alternatives to oil and gas.

Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our business is directly affected by changes in capital expenditures by our customers, and reductions in their capital spending could reduce demand for our services and products and have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. Some of the items that may impact our customer's capital spending include:

- oil and natural gas prices, including volatility of oil and natural gas prices and expectations regarding future prices;
- the inability of our customers to access capital on economically advantageous terms;
- the consolidation of our customers;
- customer personnel changes; and
- adverse developments in the business or operations of our customers, including write-downs of reserves and borrowing base reductions under customer credit facilities.

Many of our customers reduced capital spending in 2015 and 2016 as a result of decreases in commodity prices. While customer budgets generally increased in 2017 in response to improved market conditions, any significant reduction in

commodity prices or a change in our customers' expectations of future oil and natural gas prices, economic growth or the demand for oil and natural gas may result in capital budget reductions in the future.

Our operations are subject to political and economic instability and risk of government actions that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We are exposed to risks inherent in doing business in each of the countries in which we operate. Our operations are subject to various risks unique to each country that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. With respect to any particular country, these risks may include:

- political and economic instability, including:
  - civil unrest, acts of terrorism, war and other armed conflict;
  - inflation; and
  - currency fluctuations, devaluations and conversion restrictions; and
- governmental actions that may:
  - result in expropriation and nationalization of our assets in that country;
  - result in confiscatory taxation or other adverse tax policies;
  - limit or disrupt markets or our operations, restrict payments, or limit the movement of funds;
  - impose sanctions on our ability to conduct business with certain customers or persons;
  - result in the deprivation of contract rights; and
  - result in the inability to obtain or retain licenses required for operation.

For example, due to the unsettled political conditions in many oil-producing countries, our operations, revenue and profits are subject to the adverse consequences of war, terrorism, civil unrest, strikes, currency controls and governmental actions. These and other risks described above could result in the loss of our personnel or assets, cause us to evacuate our personnel from certain countries, cause us to increase spending on security worldwide, cause us to cease operating in certain countries, disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographic areas in which we operate. Areas where we operate that have significant risk include, but are not limited to: the Middle East, North Africa, Angola, Azerbaijan, Colombia, Indonesia, Kazakhstan, Mexico, Nigeria, Russia and Venezuela. In addition, any possible reprisals as a consequence of military or other action, such as acts of terrorism in the United States or elsewhere, could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations are subject to cyber-attacks that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations are increasingly dependent on digital technologies and services. We use these technologies for internal purposes, including data storage, processing and transmissions, as well as in our interactions with customers and suppliers. Digital technologies are subject to the risk of cyber-attacks. If our systems for protecting against cybersecurity risks prove not to be sufficient, we could be adversely affected by, among other things: loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data; interruption of our business operations; and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with customers, suppliers, employees and other third parties, and may result in claims against us. These risks could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations. For example, our operations in countries outside the United States are subject to the United States Foreign Corrupt Practices Act (FCPA), which prohibits United States companies and their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. Our activities create the risk of unauthorized payments or offers of payments by our employees, agents, or joint venture partners that could be in violation of anti-corruption laws, even though some of these parties are not subject to our control. We have internal control policies and procedures and have implemented training and compliance programs for our employees and agents with respect to the FCPA. However, we cannot assure that our policies, procedures and programs always will protect us from reckless or criminal acts committed by our employees or agents. We are also subject to the risks that our employees, joint venture partners and agents outside of the United States may fail to comply with other applicable laws. Allegations of violations of applicable anti-corruption laws have resulted and may in the future result in internal, independent, or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could

have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

In addition, the shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments may also impose economic sanctions against certain countries, persons and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions. During 2014, the United States and European Union imposed sectoral sanctions directed at Russia's oil and gas industry. Among other things, these sanctions restrict the provision of U.S. and EU goods, services and technology in support of exploration or production for deep water, Arctic offshore, or shale projects that have the potential to produce oil in Russia. These sanctions resulted in our winding down and ending work on two projects in Russia in 2014, and have prevented us from pursuing certain other projects in Russia. In 2017, the U.S. Government imposed additional sanctions against Russia's oil and gas industry and certain Russian companies. Our ability to engage in certain future projects in Russia or involving certain Russian customers is dependent upon whether or not our involvement in such projects is restricted under U.S. or EU sanctions laws and the extent to which any of our current or prospective operations in Russia or with certain Russian customers may be subject to those laws. Those laws may change from time to time, and any expansion of sanctions against Russia's oil and gas industry could further hinder our ability to do business in Russia or with certain Russian customers, which could have a material adverse effect on our consolidated results of operations.

During 2017, the U.S. Government imposed economic sanctions in Venezuela around certain financing transactions as further discussed below.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations can cause delays in shipments and unscheduled operational downtime. Moreover, any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges. In addition, investigations by governmental authorities and legal, social, economic and political issues in these countries could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our business in Venezuela subjects us to actions by the Venezuelan government, sanctions imposed or other actions by the U.S. and foreign governments, the risk of delayed payments and currency risks, all of which could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

There are risks associated with our operations in Venezuela, which continues to experience significant political and economic turmoil. The political and economic conditions deteriorated in 2017, leading to uncertainty in the future business climate, the state of security and governance of the country. This environment increases the risk of civil unrest, armed conflicts, adverse actions by the government of Venezuela, including the possibility that the Venezuelan government could assume control over our operations and assets, and imposition of additional sanctions or other actions by the U.S. and foreign governments that may restrict our ability to continue operations or realize the value of our assets. In 2017, the U.S. Government announced sanctions directed at certain Venezuelan individuals and imposed additional economic sanctions around certain financing transactions in Venezuela. These sanctions prohibit dealings by our U.S. employees and entities in certain new debt issued by our primary customer in Venezuela or the Venezuelan government as well as dealings in existing Venezuelan government bonds. There can be no assurance that other sanctions affecting our business in Venezuela will not be imposed in the future that may have a material adverse effect on our ability to operate in Venezuela.

We have continued to experience delays in collecting payments on our receivables from our primary customer in Venezuela, including recent delays in scheduled payments on our existing promissory note. In November 2017, several credit rating agencies downgraded this customer's credit rating, some as low as a default level. As a result of this credit downgrade, delayed payments on our promissory note and accounts receivable, and deteriorating market conditions in Venezuela, we recognized an aggregate charge of $647 million during 2017, representing a fair market value adjustment on our promissory note and a full reserve against our other accounts receivable with this customer.

On January 29, 2018, the Venezuelan government announced that it has changed the existing dual-rate foreign exchange system by eliminating the DIPRO foreign exchange rate. All future currency transactions will now be carried out at the DICOM floating rate. We are currently evaluating the impact that this change in foreign exchange system will have on our business, consolidated results of operations and consolidated financial condition. This includes potential further write-downs of our net investment in Venezuela, which was approximately $202 million as of December 31, 2017.

The future results of our Venezuelan operations will be affected by many factors, including the foreign currency exchange rate, actions of the Venezuelan government, general economic conditions such as continued inflation, existing or future sanctions, future customer spending and the ability of our primary customer to pay its debts. For further information, see Note 3 to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations - International operations - Venezuela."

Changes in, compliance with, or our failure to comply with laws in the countries in which we conduct business may negatively impact our ability to provide services in, make sales of equipment to and transfer personnel or equipment among some of those countries and could have a material adverse effect on our business and consolidated results of operations.

In the countries in which we conduct business, we are subject to multiple and, at times, inconsistent regulatory regimes, including those that govern our use of radioactive materials, explosives and chemicals in the course of our operations. Various national and international regulatory regimes govern the shipment of these items. Many countries, but not all, impose special controls upon the export and import of radioactive materials, explosives and chemicals. Our ability to do business is subject to maintaining required licenses and complying with these multiple regulatory requirements applicable to these special products. In addition, the various laws governing import and export of both products and technology apply to a wide range of services and products we offer. In turn, this can affect our employment practices of hiring people of different nationalities because these laws may prohibit or limit access to some products or technology by employees of various nationalities. Changes in, compliance with, or our failure to comply with these laws may negatively impact our ability to provide services in, make sales of equipment to and transfer personnel or equipment among some of the countries in which we operate and could have a material adverse effect on our business and consolidated results of operations.

The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Various federal and state legislative and regulatory initiatives have been or could be undertaken which could result in additional requirements or restrictions being imposed on hydraulic fracturing operations. For example, the EPA released the final results of its comprehensive research study on the potential adverse impacts that hydraulic fracturing may have on drinking water resources in December 2016. The EPA concluded that hydraulic fracturing activities can impact drinking water resources under some circumstances, including large volume spills and inadequate mechanical integrity of wells. The results of the EPA's study could spur action towards federal or state legislation and regulation of hydraulic fracturing or similar production operations.

At the same time, legislation and/or regulations have been adopted in many states that require additional disclosure regarding chemicals used in the hydraulic fracturing process but that generally include protections for proprietary information. Legislation and/or regulations are being considered at the state and local level that could impose further chemical disclosure or other regulatory requirements (such as restrictions on the use of certain types of chemicals or prohibitions on hydraulic fracturing operations in certain areas) that could affect our operations. Three states (New York, Maryland and Vermont) have banned the use of high volume hydraulic fracturing. Moreover, in light of concerns about seismic activity being triggered by the injection of produced waters into underground wells and hydraulic fracturing, certain regulators are also considering additional requirements related to seismic safety for hydraulic fracturing activities. Local jurisdictions in some states have adopted ordinances that restrict or in certain cases prohibit the use of hydraulic fracturing. In addition, governmental authorities in various foreign countries where we have provided or may provide hydraulic fracturing services have imposed or are considering imposing various restrictions or conditions that may affect hydraulic fracturing operations.

The adoption of any future federal, state, local, or foreign laws or regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Liabilities arising out of catastrophic well incidents, such as the Deepwater Horizon blowout in April 2010, could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Catastrophic events can occur at well sites where we conduct our operations, including blow outs resulting in explosions, fires, personal injuries, property damage, pollution and regulatory responsibility. Generally, we rely on contractual indemnities, releases and limitations on liability with our customers, and liability insurance coverage, to protect us from potential liability related to such occurrences. However, we do not have these contractual provisions in all contracts, and even where we do, it is possible that the respective customer or insurer could seek to avoid or be financially unable to meet its obligations or a court may decline to enforce such provisions. Damages that are not indemnified or released could greatly exceed available insurance coverage and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Liability for cleanup costs, natural resource damages and other damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We are exposed to claims under environmental requirements and, from time to time, such claims have been made against us. In the United States, environmental requirements and regulations typically impose strict liability. Strict liability means that in some situations we could be exposed to liability for cleanup costs, natural resource damages and other damages as a result of our conduct that was lawful at the time it occurred or the conduct of prior operators or other third parties. Liability for damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We are periodically notified of potential liabilities at federal and state superfund sites. These potential liabilities may arise from both historical Halliburton operations and the historical operations of companies that we have acquired. Our exposure at these sites may be materially impacted by unforeseen adverse developments both in the final remediation costs and with respect to the final allocation among the various parties involved at the sites. The relevant regulatory agency may bring suit against us for amounts in excess of what we have accrued and what we believe is our proportionate share of remediation costs at any superfund site. We also could be subject to third-party claims, including punitive damages, with respect to environmental matters for which we have been named as a potentially responsible party.

Failure on our part to comply with, and the costs of compliance with, applicable health, safety and environmental requirements could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Our business is subject to a variety of health, safety and environmental laws, rules and regulations in the United States and other countries, including those covering hazardous materials and requiring emission performance standards for facilities. For example, our well service operations routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport and use radioactive and explosive materials in certain of our operations. Applicable regulatory requirements include those concerning:

- the containment and disposal of hazardous substances, oilfield waste and other waste materials;
- the importation and use of radioactive materials;
- the use of underground storage tanks;
- the use of underground injection wells; and
- the protection of worker safety both onshore and offshore.

These and other requirements generally are becoming increasingly strict. The failure to comply with the requirements, many of which may be applied retroactively, may result in:

- administrative, civil and criminal penalties;
- revocation of permits to conduct business; and
- corrective action orders, including orders to investigate and/or clean up contamination.

Failure on our part to comply with applicable environmental requirements or costs arising from regulatory compliance, including compliance with changes in or expansion of applicable regulatory requirements, could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change could have a negative impact on our business and may result in additional compliance obligations with respect to the release, capture and use of carbon dioxide that could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Changes in environmental requirements related to greenhouse gases and climate change may negatively impact demand for our services. For example, oil and natural gas exploration and production may decline as a result of environmental requirements, including land use policies responsive to environmental concerns. State, national and international governments and agencies have been evaluating climate-related legislation and other regulatory initiatives that would restrict emissions of greenhouse gases in areas in which we conduct business. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws, regulations, treaties, or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, may reduce demand for oil and natural gas and could have a negative impact on our business. Likewise, such restrictions may result in additional compliance obligations with respect to the release, capture, sequestration and use of carbon dioxide that could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Our business could be materially and adversely affected by severe or unseasonable weather where we have operations.

Our business could be materially and adversely affected by severe weather, particularly in Canada, the Gulf of Mexico, Russia and the North Sea. Some experts believe global climate change could increase the frequency and severity of extreme weather conditions. Repercussions of severe or unseasonable weather conditions may include:

- evacuation of personnel and curtailment of services;
- weather-related damage to offshore drilling rigs resulting in suspension of operations;
- weather-related damage to our facilities and project work sites;
- inability to deliver materials to jobsites in accordance with contract schedules;
- decreases in demand for oil and natural gas during unseasonably warm winters; and
- loss of productivity.

Changes in or interpretation of tax law and currency/repatriation control could impact the determination of our income tax liabilities for a tax year.

We have operations in approximately 70 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in or interpretation of tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for the year.

Additionally, we are currently evaluating provisions of United States tax reform enacted in December 2017, which among other things, lowered the corporate income tax rate from 35% to 21% and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. In the fourth quarter of 2017, we recorded a total provision to income taxes of $770 million related to our preliminary assessment of the net effects of tax reform. As we do not have all the necessary information to analyze all income tax effects of tax reform, this is a provisional amount which we believe represents a reasonable estimate of the accounting implications of this tax reform. We will continue to evaluate tax reform and adjust the provisional amounts as additional information is obtained. The ultimate impact of tax reform may differ from our provisional amounts due to changes in our interpretations and assumptions, as well as additional regulatory guidance that may be issued. We expect to complete our detailed analysis no later than the fourth quarter of 2018. For further information, see Note 8 to the consolidated financial statements.

We are subject to foreign exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries.

A sizable portion of our consolidated revenue and consolidated operating expenses is in foreign currencies. As a result, we are subject to significant risks, including:

- foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

As an example, we conduct business in countries that have restricted or limited trading markets for their local currencies and restrict or limit cash repatriation. We may accumulate cash in those geographies, but we may be limited in our ability to convert our profits into United States dollars or to repatriate the profits from those countries. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations" and Note 8 to the consolidated financial statements.

Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

We rely on a variety of intellectual property rights that we use in our services and products. We may not be able to successfully preserve these intellectual property rights in the future, and these rights could be invalidated, circumvented or challenged. In addition, the laws of some foreign countries in which our services and products may be sold do not protect intellectual property rights to the same extent as the laws of the United States. Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and consolidated results of operations could be materially and adversely affected.

If we lose one or more of our significant customers or if our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We depend on a limited number of significant customers. While none of these customers represented more than 10% of consolidated revenue in any period presented, the loss of one or more significant customers could have a material adverse effect on our business and our consolidated results of operations.

In most cases, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic or commodity price environments, we may experience increased delays and failures due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We sometimes provide integrated project management services in the form of long-term, fixed price contracts that may require us to assume additional risks associated with cost over-runs, operating cost inflation, labor availability and productivity, supplier and contractor pricing and performance, and potential claims for liquidated damages.

We sometimes provide integrated project management services outside our normal discrete business in the form of long-term, fixed price contracts. Some of these contracts are required by our customers, primarily national oil companies (NOCs). These services include acting as project managers as well as service providers and may require us to assume additional risks associated with cost over-runs. These customers may provide us with inaccurate information in relation to their reserves, which is a subjective process that involves location and volume estimation, that may result in cost over-runs, delays and project losses. In addition, NOCs often operate in countries with unsettled political conditions, war, civil unrest, or other types of community issues. These issues may also result in cost over-runs, delays and project losses.

Providing services on an integrated basis may also require us to assume additional risks associated with operating cost inflation, labor availability and productivity, supplier pricing and performance, and potential claims for liquidated damages. We rely on third-party subcontractors and equipment providers to assist us with the completion of these types of contracts. To the extent that we cannot engage subcontractors or acquire equipment or materials in a timely manner and on reasonable terms, our ability to complete a project in accordance with stated deadlines or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price work, we could experience losses in the performance of these contracts. These delays and additional costs may be substantial, and we may be required to compensate our customers for these delays. This may reduce the profit to be realized or result in a loss on a project.

Constraints in the supply of, prices for and availability of transportation of raw materials can have a material adverse effect on our business and consolidated results of operations.

Raw materials essential to our business, such as proppants (primarily sand), hydrochloric acid, and gels, including guar gum, are normally readily available. Shortage of raw materials as a result of high levels of demand or loss of suppliers during market challenges can trigger constraints in the supply chain of those raw materials, particularly where we have a relationship with a single supplier for a particular resource. Many of the raw materials essential to our business require the use of rail, storage and trucking services to transport the materials to our jobsites. These services, particularly during times of high demand, may cause delays in the arrival of or otherwise constrain our supply of raw materials. These constraints could have a material adverse effect on our business and consolidated results of operations. In addition, price increases imposed by our vendors for raw materials used in our business and the inability to pass these increases through to our customers could have a material adverse effect on our business and consolidated results of operations.

Our acquisitions, dispositions and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may use cash on hand or be financed by additional borrowings or by the issuance of our common stock. These transactions may also affect our liquidity, consolidated results of operations and consolidated financial condition.

These transactions also involve risks, and we cannot ensure that:

- any acquisitions we attempt will be completed on the terms announced, or at all;
- any acquisitions would result in an increase in income or provide an adequate return of capital or other anticipated benefits;
- any acquisitions would be successfully integrated into our operations and internal controls;
- the due diligence conducted prior to an acquisition would uncover situations that could result in financial or legal exposure, including under the FCPA, or that we will appropriately quantify the exposure from known risks;
- any disposition would not result in decreased earnings, revenue, or cash flow;
- use of cash for acquisitions would not adversely affect our cash available for capital expenditures and other uses; or
- any dispositions, investments, or acquisitions, including integration efforts, would not divert management resources.

Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

We conduct some operations through joint ventures in which unaffiliated third parties may control the operations of the joint venture or we may share control. As with any joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions, the joint venture operating in a manner that is contrary to our preference or in failures to agree on major issues. We also cannot control the actions of our joint venture partners, including any nonperformance, default, or bankruptcy of our joint venture partners. These factors could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

Our ability to operate and our growth potential could be materially and adversely affected if we cannot attract, employ and retain technical personnel at a competitive cost.

Many of the services that we provide and the products that we sell are complex and highly engineered and often must perform or be performed in harsh conditions. We believe that our success depends upon our ability to attract, employ and retain technical personnel with the ability to design, utilize and enhance these services and products. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our cost structure could increase, our margins could decrease and any growth potential could be impaired.

The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

We depend greatly on the efforts of our executive officers and other key employees to manage our operations. The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

Item 1(b). Unresolved Staff Comments.

None.

Item 2. Properties.

We own or lease numerous properties in domestic and foreign locations. Our principal properties include manufacturing facilities, research and development laboratories, technology centers and corporate offices. We also have numerous small facilities that include sales, project and support offices and bulk storage facilities throughout the world. All of our owned properties are unencumbered. We believe all properties that we currently occupy are suitable for their intended use.

The following locations represent our major facilities by segment:

- *Completion and Production:* Arbroath, United Kingdom; Johor Bahru, Malaysia; and Lafayette, Louisiana
- *Drilling and Evaluation:* Alvarado, Texas; Nisku, Canada; and The Woodlands, Texas
- *Shared/corporate facilities:* Carrollton, Texas; Denver, Colorado; Dhahran, Saudi Arabia; Dubai, United Arab Emirates (corporate executive offices); Duncan, Oklahoma; Houston, Texas (corporate executive offices); Kuala Lumpur, Malaysia; London, England; Moscow, Russia; Panama City, Panama; Pune, India; Rio de Janeiro, Brazil; Singapore; and Tananger, Norway

Item 3. Legal Proceedings.

Information related to Item 3. Legal Proceedings is included in Note 7 to the consolidated financial statements.

Item 4. Mine Safety Disclosures.

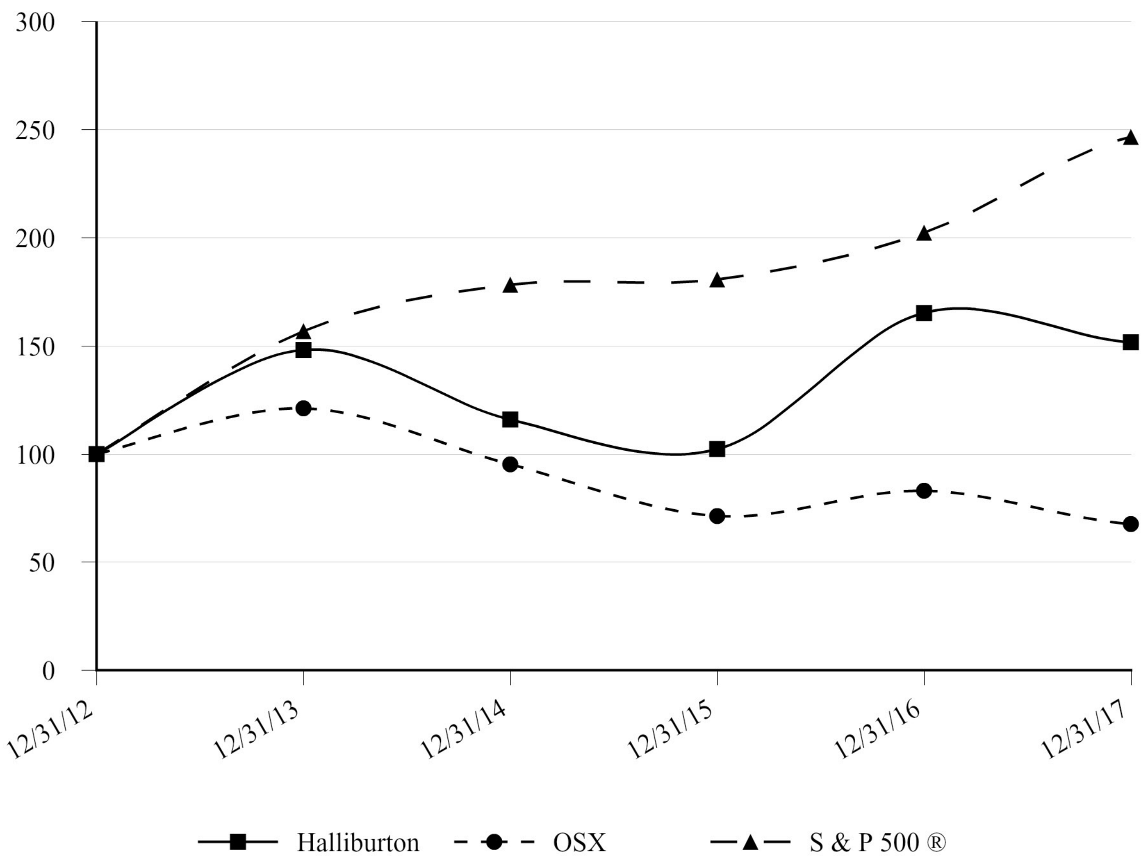
Our barite and bentonite mining operations, in support of our fluid services business, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this annual report.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Halliburton Company's common stock is traded on the New York Stock Exchange. Information related to the high and low market prices of our common stock and quarterly dividend payments is included under the caption "Quarterly Data and Market Price Information" on page 68 of this annual report. Quarterly cash dividends on our common stock, which were paid in March, June, September and December of each year, were $0.18 per share for all four quarters of 2016 and 2017. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements and general business conditions. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2018.

The following graph and table compare total shareholder return on our common stock for the five-year period ended December 31, 2017, with the Philadelphia Oil Service Index (OSX) and the Standard & Poor's 500 ® Index over the same period. This comparison assumes the investment of $100 on December 31, 2012 and the reinvestment of all dividends. The shareholder return set forth is not necessarily indicative of future performance.



	December 31					
	2012	2013	2014	2015	2016	2017
Halliburton	$ 100.00	$ 148.00	$ 116.03	$ 102.26	$ 165.22	$ 151.61
Philadelphia Oil Service Index (OSX)	100.00	121.15	95.32	71.30	83.08	67.60
Standard & Poor's 500 ® Index	100.00	156.82	178.28	180.75	202.37	246.55

At February 2, 2018, we had 12,374 shareholders of record. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

The following table is a summary of repurchases of our common stock during the three-month period ended December 31, 2017.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
October 1 - 31	25,254	$43.06	—	$5,700,004,373
November 1 - 30	17,384	$42.88	—	$5,700,004,373
December 1 - 31	193,421	$43.98	—	$5,700,004,373
Total	236,059	$43.80	—	

(a) All of the 236,059 shares purchased during the three-month period ended December 31, 2017 were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.

(b) Our Board of Directors has authorized a plan to repurchase our common stock from time to time. During the fourth quarter of 2017, we did not repurchase shares of our common stock pursuant to that plan. We have authorization remaining to repurchase up to a total of approximately $5.7 billion of our common stock.

Item 6. Selected Financial Data.

Information related to selected financial data is included on page 67 of this annual report.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information related to Management's Discussion and Analysis of Financial Condition and Results of Operations is included on pages 19 through 36 of this annual report.

Item 7(a). Quantitative and Qualitative Disclosures About Market Risk.

Information related to market risk is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk" and Note 12 to the consolidated financial statements.

Item 8. Financial Statements and Supplementary Data.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9(a). Controls and Procedures.

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2017 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See page 37 for Management's Report on Internal Control Over Financial Reporting and page 39 for Report of Independent Registered Public Accounting Firm on its assessment of our internal control over financial reporting.

Item 9(b). Other Information.

None.

EXECUTIVE OVERVIEW

Financial results

Our business continued to strengthen during 2017, which was a dynamic year for the oil and gas sector that marked another step on the road to recovery for our industry. We successfully executed our strategy by growing our global market share, moving quickly to reactivate equipment and build new equipment in North America to meet customer demand, continuing to focus on cost efficiencies, and aligning our business with customers in the fastest growing market segments to collaborate and engineer solutions to maximize their asset value. In the beginning of 2017, we made the decision to bring back cold-stacked pressure pumping equipment more rapidly than originally planned because of customer demand and to maintain market share while capturing leading edge pricing. We have successfully executed this plan with the reactivated and new-build equipment enhancing our overall margins during 2017.

Our North American business continued to improve during 2017, with revenue growth of 71% outperforming the growth in average North American rig count of 69%, compared to 2016. We also experienced a significant margin improvement in 2017 and profitability growth in six consecutive quarters as a result of activity and pricing increases. We are diligently working towards optimizing margins and reaching targets we have set for our organization, which we believe are achievable through higher pricing, improved equipment utilization and technology solutions. While the international markets have been slower to recover and continue to face pricing pressure as customers defer new projects and focus on lowering costs, these regions showed signs of recovery in the latter half of 2017, driven primarily by improved performance in the Middle East, the North Sea and Latin America. We are committed to making these markets sustainable and have focused on the use of technology and lowering customer costs during the down cycle. Our product service lines continue to deliver technology driven value propositions to help our customers increase production and lower costs.

We generated total company revenue of $20.6 billion during 2017, a 30% increase from the $15.9 billion of revenue generated in 2016, with our Completion and Production segment improving 47% and our Drilling and Evaluation segment improving 8%. We also reported total company operating income of approximately $1.4 billion in 2017. These results were primarily driven by improved activity, utilization and pricing in the United States land market associated with stimulation, well completion and drilling services. Our operating results also benefited from the structural global cost savings initiatives implemented over the past few years to address challenging market conditions.

Business outlook

While the past few years have been challenging as we navigated through this industry cycle, we believe our financial results in 2017 reflect our successful execution in a dynamic environment and that our strategy has positioned us to take advantage of opportunities ahead. We are benefiting from our improved market share, delivery platform and cost containment strategies, and we are optimistic about the prospects for 2018.

In North America, improved commodity prices and rig counts from 2016 lows have resulted in a rapidly recovering market throughout 2017, particularly in United States unconventionals. At the current North American rig count, we are drilling approximately the same footage as the peak of 2014, but with less equipment in the field as we experience significantly increased completions intensity. As rig count stabilizes, our customers focus on efficiencies, optimization and production. We are continuing to collaborate and engineer solutions to maximize asset value for our customers and will continue to focus on increasing equipment utilization, managing costs and expanding our surface efficiency model.

Additionally, we gained significant North America market share through the downturn by demonstrating to our customers the benefits of our service quality and technology. We have been utilizing this increased market share to drive margin improvement. The historically high level of market share we built in the downturn gives us the ability to focus our work with the most efficient customers, and we continued to execute our strategy of high grading the profitability of our portfolio with customers that value our services.

While the international markets had been more resilient than North America through most of the downturn, we experienced activity reductions and pricing pressure in these markets in 2017 when compared to 2016, particularly in the Eastern Hemisphere. This was driven by stressed customer budgets and economics across deepwater and mature fields. However, the international sector began to show signs of recovery in the latter half of 2017. Heading into 2018, we are encouraged by these markets, with enhanced tender activity and constructive conversations with our international customers. While we expect international activity to gradually improve throughout 2018, we are cognizant that pricing pressure and

concessions that have been given throughout the cycle need to be unwound. We will continue to collaborate with our customers to create solutions through technology and improved operating efficiency that will overcome challenging project economics.

During 2017, we had approximately $1.4 billion of capital expenditures, an increase of 72% from 2016, which was predominantly made in our Production Enhancement, Sperry Drilling, Production Solutions, Wireline and Perforating, and Baroid product service lines. We successfully executed our deployment strategy to reactivate our cold-stacked pressure pumping equipment to respond to customer demand and converting our hydraulic fracturing fleet to Q10 pumps to support our surface efficiency model. We remain committed to generating industry-leading returns and continue to be focused on achieving leading edge pricing, driving better utilization and continuous cost control.

During 2017, we acquired Summit ESP, Ingrain Inc. and Optimization Petroleum Technology. The additions of these three businesses strengthen our Artificial Lift, Wireline and Perforating, and Landmark portfolios for our customers.

We intend to continue to strengthen our product service lines through a combination of organic growth, investment and selective acquisitions. We plan to continue executing the following strategies in 2018:

- directing capital and resources into strategic growth markets, including unconventional plays and mature fields;
- leveraging our broad technology offerings to provide value to our customers and enable them to more efficiently drill and complete their wells;
- exploring additional opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations;
- investing in technology that will help our customers reduce reservoir uncertainty and increase operational efficiency;
- improving working capital and managing our balance sheet to maximize our financial flexibility;
- continuing to seek ways to be one of the most cost-efficient service providers in the industry by maintaining capital discipline and leveraging our scale and breadth of operations;
- collaborating and engineering solutions to maximize asset value for our customers; and
- striving to achieve superior growth and returns for our shareholders.

Our operating performance and business outlook are described in more detail in “Business Environment and Results of Operations.”

Financial markets, liquidity and capital resources

We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations from adverse market conditions. We had $2.3 billion of cash and equivalents as of December 31, 2017. We also have $3.0 billion available under our revolving credit facility which, combined with our cash balance, we believe provides us with sufficient liquidity to address the challenges and opportunities of the current market. Given our optimism about the business outlook and projected impact of U.S. tax reform, we are actively evaluating our options and opportunities around uses of cash, which could include debt retirements, funding acquisitions and organic growth projects and return of capital to shareholders. For additional information on market conditions, see “Liquidity and Capital Resources” and “Business Environment and Results of Operations.”

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2017, we had $2.3 billion of cash and equivalents, compared to $4.0 billion at December 31, 2016. Additionally, we held $106 million of investments in fixed income securities at December 31, 2017, compared to $92 million at December 31, 2016. These securities are reflected in "Other current assets" and "Other assets" in our consolidated balance sheets. Approximately $1.9 billion of our total cash position as of December 31, 2017 was held by our foreign subsidiaries, a substantial portion of which is available to be repatriated into the United States to fund our U.S. operations or for general corporate purposes, with a portion subject to certain country-specific restrictions. See Note 8 for further discussion regarding U.S. tax reform and its corresponding impact on foreign cash repatriation.

Significant sources and uses of cash

Sources of cash:

- Cash flows from operating activities were $2.5 billion in 2017. This includes a United States tax refund of approximately $478 million that we received in the third quarter of 2017, primarily related to the carryback of our net operating losses recognized in 2016.

Uses of cash:

- We paid an aggregate $1.6 billion on long-term borrowings in 2017. This includes an early redemption of $1.4 billion of senior notes during the first quarter of 2017, which resulted in a payment of approximately $1.5 billion, inclusive of the redemption premium. We also repaid $45 million of notes that matured during the second quarter of 2017. See Note 6 for further information.
- Capital expenditures were $1.4 billion in 2017 and were predominantly made in our Production Enhancement, Sperry Drilling, Production Solutions, Wireline and Perforating and Baroid product service lines.
- We paid approximately $630 million in the third quarter of 2017 to acquire Summit ESP, Ingrain Inc. and Optimization Petroleum Technology. The additions of these three businesses strengthen our artificial lift, wireline and Landmark portfolios for our global customers.
- We paid $626 million of dividends to our shareholders in 2017.
- Our primary components of net working capital (receivables, inventories and accounts payable) increased during the year by a net $626 million, primarily due to increased business activity.
- We made the final installment settlement payment of $335 million related to the Macondo well incident, as well as our third and final legal fees payment of $33 million.

Future sources and uses of cash

We manufacture most of our own equipment, which allows us flexibility to increase or decrease our capital expenditures based on market conditions. Capital spending for 2018 is currently expected to be approximately $1.7 billion, an increase of over 25% from 2017. We expect capital spending to be in-line with our expected depreciation and amortization expense. The capital expenditures plan for 2018 is primarily directed towards our industry-leading pressure pumping fleet, the deployment of new Sperry drilling tools and the continued investment in our Artificial Lift and Multi-Chem product service lines.

Currently, our quarterly dividend rate is $0.18 per share, or approximately $156 million per quarter. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2018. We also have $400 million senior notes that mature in August 2018, which we intend to repay with cash on hand.

Our Board of Directors has authorized a program to repurchase our common stock from time to time. Approximately $5.7 billion remains authorized for repurchases as of December 31, 2017, and may be used for open market and other share purchases. There were no repurchases made under the program during the year ended December 31, 2017.

We had $333 million of gross unrecognized tax benefits at December 31, 2017, of which we estimate $319 million may require a cash payment by us. We estimate that $296 million of the cash payment will not be settled within the next 12 months. We are not able to reasonably estimate in which future periods this amount will ultimately be settled and paid. Additionally, given our current U.S. tax attributes, we currently do not expect to pay any cash tax on our deemed repatriation tax obligations as a result of the recently enacted U.S. tax reform.

Given our optimism about the business outlook and projected impact of U.S. tax reform, we are actively evaluating our options and opportunities around uses of cash, which could include debt retirements, funding acquisitions and organic growth projects and return of capital to shareholders.

Contractual obligations

The following table summarizes our significant contractual obligations and other long-term liabilities as of December 31, 2017:

	Payments Due						
Millions of dollars	2018	2019	2020	2021	2022	Thereafter	Total
Long-term debt (a)	$ 440	$ 30	$ 26	$ 709	$ 14	$ 9,749	$ 10,968
Interest on debt (b)	564	553	551	540	513	8,438	11,159
Operating leases	166	135	100	71	54	194	720
Purchase obligations (c)	485	76	71	26	19	38	715
Other long-term liabilities (d)	32	—	—	—	—	—	32
Total	$ 1,687	$ 794	$ 748	$ 1,346	$ 600	$ 18,419	$ 23,594

(a) Represents principal amounts of long-term debt, including capital lease obligations and current maturities of debt, which excludes any unamortized debt issuance costs and discounts. See Note 6 to the consolidated financial statements.

(b) Interest on debt includes 79 years of interest on $300 million of debentures at 7.6% interest that become due in 2096.

(c) Amount in 2018 primarily represents certain purchase orders for goods and services utilized in the ordinary course of our business.

(d) Represents pension funding obligations associated with international plans for 2018 only as we are currently not able to reasonably estimate our contributions for years after 2018.

Other factors affecting liquidity

Financial position in current market. As of December 31, 2017, we had $2.3 billion of cash and equivalents, $106 million in fixed income investments and $3.0 billion of available committed bank credit under our revolving credit facility. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. We believe our cash on hand, cash flows generated from operations and our available credit facility will provide sufficient liquidity to address our global cash needs in 2018, including debt retirement, capital expenditures, working capital investments, dividends, if any, and contingent liabilities.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately $1.8 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2017. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Credit ratings. Our credit ratings with Standard & Poor’s (S&P) remain BBB+ for our long-term debt and A-2 for our short-term debt, with a stable outlook. Our credit ratings with Moody’s Investors Service (Moody's) remain Baa1 for our long-term debt and P-2 for our short-term debt, with a stable outlook.

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers’ cash flow from operations and their access to the credit markets as well as unsettled political conditions. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition. See Part I, Item 1(a), “Risk Factors,” “Business Environment and Results of Operations,” and Note 3 to the consolidated financial statements for further discussion related to receivables from our primary customer in Venezuela.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in approximately 70 countries throughout the world to provide a comprehensive range of services and products to the energy industry. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many competitors in each segment of our business. In 2017, 2016 and 2015, based on the location of services provided and products sold, 53%, 41% and 44%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue during these periods.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would be materially adverse to our consolidated results of operations.

Activity within our business segments is significantly impacted by spending on upstream exploration, development and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices, global oil supply, completions intensity, the world economy, the availability of credit, government regulation and global stability, which together drive worldwide drilling and completions activity. Lower oil and natural gas prices usually translate into lower exploration and production budgets and lower rig count. Our financial performance is therefore significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the tables below.

The following table shows the average oil and natural gas prices for West Texas Intermediate (WTI), United Kingdom Brent crude oil and Henry Hub natural gas:

	2017	2016	2015
Oil price - WTI (1)	$ 50.93	$ 43.14	$ 48.69
Oil price - Brent (1)	54.30	43.55	52.36
Natural gas price - Henry Hub (2)	3.04	2.52	2.63

(1) Oil price measured in dollars per barrel
(2) Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

The historical average rig counts based on the weekly Baker Hughes rig count information were as follows:

Land vs. Offshore	2017	2016	2015
United States:			
Land	856	486	943
Offshore (incl. Gulf of Mexico)	20	23	35
Total	876	509	978
Canada:			
Land	205	128	189
Offshore	1	2	2
Total	206	130	191
International (excluding Canada):			
Land	751	734	884
Offshore	198	221	283
Total	949	955	1,167
Worldwide total	2,031	1,594	2,336
Land total	1,812	1,348	2,016
Offshore total	219	246	320

Oil vs. Natural Gas	2017	2016	2015
United States (incl. Gulf of Mexico):			
Oil	704	409	751
Natural gas	172	100	227
Total	876	509	978
Canada:			
Oil	109	63	84
Natural gas	97	67	107
Total	206	130	191
International (excluding Canada):			
Oil	732	726	916
Natural gas	217	229	251
Total	949	955	1,167
Worldwide total	2,031	1,594	2,336
Oil total	1,545	1,198	1,751
Natural gas total	486	396	585

Drilling Type	2017	2016	2015
United States (incl. Gulf of Mexico):			
Horizontal	736	400	744
Vertical	70	60	139
Directional	70	49	95
Total	876	509	978

Crude oil prices have been extremely volatile during the past few years. WTI oil spot prices declined significantly beginning in 2014 from a peak price of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which had not been experienced since 2003. Brent crude oil spot prices declined from a high of $115 per barrel in June 2014 to $26 per barrel in January 2016. Since the low point experienced in early 2016, oil prices have increased substantially. WTI oil spot prices ranged from a low of $42 per barrel in June 2017 to a high of $60 per barrel in December 2017. Brent crude oil spot prices ranged from a low of $44 in June 2017 to a high of $67 in December 2017. The average full year 2017 WTI and Brent crude oil spot prices of $51 per barrel and $54 per barrel increased 17% and 24% from 2016.

WTI and Brent crude oil spot prices had a monthly average in December 2017 of $58 per barrel and $64 per barrel, respectively. Prices have increased steadily through the second half of the year, with year-end prices higher than the annual average. Most of the price movement reflects continuing draws on global oil inventory levels, geopolitical tensions, and the announcement from the Organization of the Petroleum Exporting Countries (OPEC) of an extension through the end of 2018 of its crude oil supply reduction agreement. Crude oil production in the United States is projected to average 10.3 million barrels per day in 2018, which will mark the highest annual average production in U.S. history.

In the United States Energy Information Administration (EIA) January 2018 "Short Term Energy Outlook," the EIA projects Brent prices to average $60 per barrel in 2018 and $61 per barrel in 2019, while WTI prices are projected to average about $4 less per barrel in both 2018 and 2019. The International Energy Agency's (IEA) January 2018 "Oil Market Report" forecasts the 2018 global demand to average approximately 99.1 million barrels per day, an increase of 1% from 2017, driven by increases in the Asia Pacific region, while all other regions remain approximately the same.

The Henry Hub natural gas spot price in the United States averaged $2.99 per MMBtu in 2017, an increase of $0.47 per MMBtu, or 19%, from 2016. The EIA January 2018 “Short Term Energy Outlook” projects Henry Hub natural gas prices to average $2.88 per MMBtu in 2018 and $2.92 per MMBtu in 2019, a slight decline over 2017 levels primarily due to strong expected production growth, which is forecast to meet growing domestic consumption and exports.

North America operations

The average North America oil-directed rig count increased 341 rigs, or 72%, for the full year 2017 as compared to 2016, while the average North America natural gas-directed rig count increased 102 rigs, or 61%, during the same period. In the United States land market during 2017, there was a 76% improvement in the average rig count compared to 2016 and completions activity continued to strengthen in this market for drilled but uncompleted wells. As a result of the recent uptick in activity and the structural changes to our delivery platform we made over the past few years, after recording operating losses in North America in 2016, we returned to operating profitability with continued improvements throughout 2017. Rig count has stabilized during the second half of 2017, with customers searching for improved production with an increased focus on efficiency and optimization of wells.

In the Gulf of Mexico, the average offshore rig count for 2017 was down 13% compared to 2016. Low commodity prices have stressed budgets and have impacted economics across the deepwater market, negatively impacting activity and pricing. These headwinds persist today, and we believe there will continue to be challenges in 2018 to deepwater project economics. Activity in the Gulf of Mexico is dependent on governmental approvals for permits, our customers' actions and the entry and exit of deepwater rigs in the market.

International operations

While the average international rig count for 2017 decreased by 1% compared to 2016, the international markets began to show signs of improvement in the second half of the year. This improvement was driven primarily by the Middle East, North Sea and Latin America. Lower sustained crude oil prices have caused many of our customers to reduce their budgets and defer several new projects; however, we have continued to work with our customers to improve project economics through technology and improved operating efficiency. For the Eastern Hemisphere, we believe the first quarter of 2017 represented the bottom of the international rig count. The Middle East remains our most active international market, with the largest part of the work focused on maximizing production in mature fields with the use of technology and expanded reservoir knowledge. While we expect the international markets will continue to gradually improve throughout 2018, there are still headwinds that must be overcome to obtain a full recovery. This includes an over capitalized market, pricing pressure and price concessions that we have taken throughout the down cycle which we need to recapture. We will continue to remain focused on efficiencies in our execution.

Venezuela. Venezuela continues to experience significant political and economic turmoil. At December 31, 2017, the Venezuelan government had a dual-rate foreign exchange system: (i) the DIPRO, which represented a protected rate of 10.0 Bolívares per United States dollar made available for vital imports such as food, medicine and raw materials for production; and (ii) the DICOM, which is intended to be a free floating system that will fluctuate according to market supply and demand. The DICOM foreign exchange rate continues to significantly devalue and had a market rate of 3,345 Bolívares per United States dollar at December 31, 2017, as compared to a market rate of 276 Bolívares per United States dollar in early 2016 when the DICOM was created. On January 29, 2018, the Venezuelan government announced that it has eliminated the DIPRO foreign exchange rate and all future currency transactions will be carried out at the DICOM rate. We are currently evaluating the impact that this change in foreign exchange system will have on our business, consolidated results of operations and consolidated financial condition. This includes potential further write-downs of our net investment in Venezuela, which was approximately $202 million as of December 31, 2017.

We have continued to experience delays in collecting payments on our receivables from our primary customer in Venezuela. In November 2017, several credit rating agencies downgraded this customer's credit rating, some as low as a default level. As a result of this credit downgrade, delayed payments on our promissory note and accounts receivable, and deteriorating market conditions in Venezuela, we recognized an aggregate charge of $647 million during 2017, representing a fair market value adjustment on our promissory note and a full reserve against our other accounts receivable with this customer. See Note 3 and Note 12 to the consolidated financial statements for additional information about outstanding receivables from our primary customer in Venezuela and Part I, Item 1(a), "Risk Factors" for additional information on risks associated with our operations in Venezuela, including recent sanctions imposed in Venezuela.

RESULTS OF OPERATIONS IN 2017 COMPARED TO 2016

REVENUE: *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 13,077	$ 8,882	$ 4,195	47%
Drilling and Evaluation	7,543	7,005	538	8
Total revenue	$ 20,620	$ 15,887	$ 4,733	30%
By geographic region:				
North America	$ 11,564	$ 6,770	$ 4,794	71%
Latin America	2,116	1,860	256	14
Europe/Africa/CIS	2,781	2,993	(212)	(7)
Middle East/Asia	4,159	4,264	(105)	(2)
Total	$ 20,620	$ 15,887	$ 4,733	30%

OPERATING INCOME: *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 1,621	$ 107	$ 1,514	1,415%
Drilling and Evaluation	718	794	(76)	(10)
Total	2,339	901	1,438	160
Corporate and other	(330)	(4,322)	3,992	92
Impairments and other charges	(647)	(3,357)	2,710	81
Total operating income (loss)	$ 1,362	$ (6,778)	$ 8,140	—

Consolidated revenue in 2017 increased 30% compared to 2016, associated with improved utilization, pricing and activity, primarily attributable to higher stimulation activity, and well completion and drilling services in North America. Revenue from North America was 56% of consolidated revenue in 2017 and 43% of consolidated revenue in 2016.

We reported consolidated operating income of $1.4 billion in 2017, as compared to an operating loss of $6.8 billion in 2016. Higher consolidated operating results were primarily due to increases in stimulation activity and well completion services in North America. Operating results were also impacted by $647 million and $3.4 billion of impairments and other charges recorded during 2017 and 2016, respectively. Additionally, we incurred $4.1 billion of merger related costs during 2016, primarily due to a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $13.1 billion in 2017, an increase of $4.2 billion, or 47%, compared to 2016. Completion and Production operating income was $1.6 billion in 2017 compared to $107 million in 2016. Operating results significantly improved due to increased activity and pricing across the majority of our product service lines, primarily pressure pumping services in North America. International operating results improved slightly as increased pressure pumping services in the Middle East and Latin America were partially offset by reduced completion tool sales in the Eastern Hemisphere.

Drilling and Evaluation

Drilling and Evaluation revenue was $7.5 billion in 2017, an increase of $538 million, or 8%, from 2016. Drilling and Evaluation operating income was $718 million in 2017, a decrease of $76 million, or 10%, compared to 2016. Operating results improved for drilling services in North America as a result of improved pricing, utilization and rig count. These increases were offset by pricing pressure and activity reductions across the majority of our product service lines in the Eastern Hemisphere, particularly drilling and logging services, as well as activity reductions in Venezuela, primarily software sales and testing activity.

GEOGRAPHIC REGIONS

North America

North America revenue was $11.6 billion in 2017, a 71% improvement compared to 2016. These results were driven by improved customer demand in our United States land sector with increases in both pricing and activity, primarily related to pressure pumping services, drilling activity and completion tool sales.

Latin America

Latin America revenue was $2.1 billion in 2017, a 14% increase compared to 2016, primarily related to higher drilling activity in Brazil and Colombia, as well as increased project management activity in Mexico. These increases were partially offset by reduced activity in the majority of our product service lines in Venezuela and lower completion tool sales in Brazil.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $2.8 billion in 2017, a 7% decline compared to 2016. The decreases were driven by activity reductions and pricing pressure across the region, particularly in Angola and the North Sea, along with reduced completion tools sales and logging services throughout the region.

Middle East/Asia

Middle East/Asia revenue was $4.2 billion in 2017, a 2% decrease compared to 2016, driven by reduced activity and pricing pressure, particularly for drilling and logging services in Thailand, reductions across all of our product service lines in Indonesia and drilling services and completion tool sales across the region. These decreases were partially offset by improved stimulation and well intervention activity in the Middle East, increased project management activity in Iraq and improved activity across the majority of our product service lines in Australia.

OTHER OPERATING ITEMS

Corporate and other expenses were $330 million in 2017, as compared to $4.3 billion in 2016. The decrease was primarily driven by merger-related costs during 2016 of a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting.

Impairments and other charges were $647 million in 2017 representing a fair market value adjustment on a promissory note from our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer. See Note 3 to the consolidated financial statements for further information. This compares to $3.4 billion of impairments and other charges recorded in 2016, primarily as a result of the downturn in the energy market, which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, a loss on exchange for our Venezuela promissory note and other charges.

NONOPERATING ITEMS

Interest expense, net was $593 million in 2017, which includes $104 million in costs related to the early extinguishment of $1.4 billion of senior notes during the first quarter of 2017, offset by additional interest income recognized during the year related to interest receipts and accretion on the promissory note from our primary customer in Venezuela. See Note 3 to the consolidated financial statements for further information on our promissory note in Venezuela, including our decision to discontinue the note accretion beginning in 2018. We recognized $639 million of net interest expense in 2016, which includes $41 million of debt redemption fees and associated expenses related to the $2.5 billion of senior notes mandatorily redeemed in the second quarter of 2016, with the corresponding interest savings from these debt payments reflected in 2017.

Other, net was an $87 million loss in 2017, as compared to a $208 million loss in 2016, driven by foreign currency exchange losses in various countries primarily due to the strengthening U.S. dollar. During 2017, foreign exchange losses were primarily incurred in Brazil and Nigeria. During 2016, foreign exchange losses were primarily incurred in Egypt, Argentina and Brazil, including a $53 million loss for the devaluation of the Egyptian pound.

Effective tax rate. During 2017, we recorded a total income tax provision of $1.1 billion on pre-tax income of $682 million, resulting in an effective tax rate of 165.8%. This includes $770 million of tax expenses associated with our preliminary estimate of the net impact of the United States tax reform enacted in 2017. During 2016, we recorded a total income tax benefit $1.9 billion on pre-tax losses of $7.6 billion, resulting in an effective tax rate of 24.4%. See Note 8 to the consolidated financial statements for significant drivers of these effective tax rates.

RESULTS OF OPERATIONS IN 2016 COMPARED TO 2015

REVENUE: *Millions of dollars*	2016	2015	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 8,882	$ 13,682	$ (4,800)	(35)%
Drilling and Evaluation	7,005	9,951	(2,946)	(30)
Total revenue	$ 15,887	$ 23,633	$ (7,746)	(33)%
By geographic region:				
North America	$ 6,770	$ 10,856	$ (4,086)	(38)%
Latin America	1,860	3,149	(1,289)	(41)
Europe/Africa/CIS	2,993	4,175	(1,182)	(28)
Middle East/Asia	4,264	5,453	(1,189)	(22)
Total	$ 15,887	$ 23,633	$ (7,746)	(33)%

OPERATING INCOME: *Millions of dollars*	2016	2015	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 107	$ 1,069	$ (962)	(90)%
Drilling and Evaluation	794	1,519	(725)	(48)
Total	901	2,588	(1,687)	(65)
Corporate and other	(4,322)	(576)	(3,746)	650
Impairments and other charges	(3,357)	(2,177)	(1,180)	54
Total operating loss	$ (6,778)	$ (165)	$ (6,613)	4,008 %

Consolidated revenue in 2016 decreased 33% compared to 2015, associated with widespread pricing pressure and activity reductions on a global basis, primarily attributable to stimulation activity, well completion services and pricing declines in North America. Revenue outside of North America was 57% of consolidated revenue in 2016 and 54% of consolidated revenue in 2015.

We reported a consolidated operating loss of $6.8 billion in 2016, as compared to an operating loss of $165 million in 2015. Operating results were negatively impacted by $3.4 billion and $2.2 billion of impairments and other charges recorded during 2016 and 2015, respectively. Additionally, we incurred $4.1 billion of merger related costs during 2016, primarily due to the $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting, compared to $308 million of merger related costs during 2015. Also impacting consolidated operating results was the impact of the global downturn in the energy market, primarily pricing pressure and activity reductions in North America pressure pumping services and reduced well completion services globally.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $8.9 billion in 2016, a decrease of $4.8 billion, or 35%, compared to 2015, due to a decline in activity and pricing in the majority of our product service lines, particularly North America pressure pumping services which drove the majority of the revenue decline. International revenue declined as a result of reductions in well completion services and stimulation activity in all regions.

Completion and Production operating income was $107 million in 2016, compared to $1.1 billion of operating income in 2015, with decreased profitability across all regions as a result of global activity and pricing reductions, primarily in North America stimulation activity and completion of well services across all regions.

Drilling and Evaluation

Drilling and Evaluation revenue was $7.0 billion in 2016, a decrease of $2.9 billion, or 30%, from 2015. Reductions were seen across all product service lines due to the low rig count, lower pricing and customer budget constraints worldwide.

Drilling and Evaluation operating income was $794 million in 2016, a decrease of $725 million, or 48%, compared to 2015, driven by a decline in activity and pricing across all regions, particularly drilling and logging activity in Middle East/Asia region and reduced fluid services in Latin America.

GEOGRAPHIC REGIONS

North America

North America revenue was $6.8 billion in 2016, a 38% decline compared to 2015, relative to a 45% decline in average North America rig count. The decline was driven by reduced activity and pricing pressure throughout the United States land market, specifically relating to stimulation and drilling activity.

Latin America

Latin America revenue was $1.9 billion in 2016, a 41% reduction compared to 2015. The reduction was primarily related to our decision to curtail activity in Venezuela and currency weakness in the country, reduced activity across all product service lines in Mexico and lower drilling activity in Brazil and Colombia.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $3.0 billion in 2016, a decline of 28% compared to 2015. The decrease was driven by a reduction of activity in the North Sea, Angola, Nigeria and Congo, along with lower drilling activity, completion tools sales and pressure pumping services throughout the region.

Middle East/Asia

Middle East/Asia revenue was $4.3 billion in 2016, a reduction of 22% compared to 2015. This was the result of pricing concessions across the region, along with reduced activity for pressure pumping services in the Middle East, Indonesia and Australia, and a decline in drilling and logging activity in Indonesia, Malaysia and the Middle East.

OTHER OPERATING ITEMS

Corporate and other expenses increased to $4.3 billion in 2016, as compared to $576 million in 2015, primarily driven by merger related costs. During 2016, we incurred a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting, as compared to $308 million of merger related costs during 2015.

Impairments and other charges. Primarily as a result of the downturn in the energy market and its corresponding impact on the company's business outlook, we recorded a total of approximately $3.4 billion in company-wide charges during 2016, which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, a loss on exchange for a promissory note from our primary customer in Venezuela and other charges. This compares to $2.2 billion of impairments and other charges recorded in 2015 which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures and other charges.

NONOPERATING ITEMS

Interest expense, net increased $192 million in 2016, compared to 2015. This was primarily due to additional interest resulting from the $7.5 billion of senior notes issued in November 2015, coupled with the $41 million of redemption fees and associated costs, which were recorded through interest expense, related to the $2.5 billion of senior notes mandatorily redeemed during the second quarter of 2016. Additionally, we recognized interest income in 2016 related to interest receipts and accretion on the promissory note from our primary customer in Venezuela.

Other, net was a $208 million loss in 2016, as compared to a $324 million loss in 2015, driven by foreign currency exchange losses in various countries primarily due to the strengthening U.S. dollar. These losses included a $53 million loss in 2016 for the devaluation of the Egyptian pound and a $199 million loss in 2015 as a result of utilizing the new currency exchange mechanism in Venezuela. Also impacting both periods were foreign currency exchange losses in Brazil and Argentina. See "Business Environment and Results of Operations" for further information about Venezuela.

Effective tax rate. During 2016, we recorded a total income tax benefit of $1.9 billion on pre-tax losses of $7.6 billion, resulting in an effective tax rate of 24.4%. During 2015, we recorded a total income tax benefit of $274 million on pre-tax losses of $936 million, resulting in an effective tax rate of 29.3%. See Note 8 to the consolidated financial statements for significant drivers of these effective tax rates.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of judgments and estimates. Our critical accounting policies are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimations and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective or complex judgments and assessments and is fundamental to our results of operations. We identified our most critical accounting estimates to be:

- forecasting our effective income tax rate, including our future ability to utilize foreign tax credits and the realizability of deferred tax assets, and providing for uncertain tax positions;
- legal, environmental and investigation matters;
- valuations of long-lived assets, including intangible assets and goodwill;
- purchase price allocation for acquired businesses; and
- allowance for bad debts, primarily related to receivables in Venezuela.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to the current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting policies used in the preparation of our consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this report.

Income tax accounting

We recognize the amount of taxes payable or refundable for the current year and use an asset and liability approach in recognizing the amount of deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. We apply the following basic principles in accounting for our income taxes:

- a current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the current year;
- a deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carryforwards;
- the measurement of current and deferred tax liabilities and assets is based on provisions of the enacted tax law, and the effects of potential future changes in tax laws or rates are not considered; and
- the value of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We determine deferred taxes separately for each tax-paying component (an entity or a group of entities that is consolidated for tax purposes) in each tax jurisdiction. That determination includes the following procedures:

- identifying the types and amounts of existing temporary differences;
- measuring the total deferred tax liability for taxable temporary differences using the applicable tax rate;
- measuring the total deferred tax asset for deductible temporary differences and operating loss carryforwards using the applicable tax rate;
- measuring the deferred tax assets for each type of tax credit carryforward; and
- reducing the deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our methodology for recording income taxes requires a significant amount of judgment in the use of assumptions and estimates. Additionally, we use forecasts of certain tax elements, such as taxable income and foreign tax credit utilization, as well as evaluate the feasibility of implementing tax planning strategies. Given the inherent uncertainty involved with the use of such variables, there can be significant variation between anticipated and actual results. Unforeseen events may significantly impact these variables, and changes to these variables could have a material impact on our income tax accounts related to both continuing and discontinued operations.

We have operations in approximately 70 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including income actually earned, income deemed earned and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction. Changes in the operating environment, including changes in tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for a tax year.

Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. These examinations may result in assessments of additional taxes, which we work to resolve with the tax authorities and through the judicial process. Predicting the outcome of disputed assessments involves some uncertainty. Factors such as the availability of settlement procedures, willingness of tax authorities to negotiate and the operation and impartiality of judicial systems vary across the different tax jurisdictions and may significantly influence the ultimate outcome. We review the facts for each assessment, and then utilize assumptions and estimates to determine the most likely outcome and provide taxes, interest and penalties as needed based on this outcome. We provide for uncertain tax positions pursuant to current accounting standards, which prescribe a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. The standards also provide guidance for derecognition classification, interest and penalties, accounting in interim periods, disclosure and transition.

We are currently evaluating provisions of United States tax reform enacted in December 2017. In the fourth quarter of 2017, we recorded a provision to income taxes for our preliminary assessment of the impact of tax reform. As we do not have all the necessary information to analyze all income tax effects of tax reform, this is a provisional amount which we believe represents a reasonable estimate of the accounting implications of this tax reform. We will continue to evaluate tax reform and adjust the provisional amounts as additional information is obtained. The ultimate impact of tax reform may differ from our provisional amounts due to changes in our interpretations and assumptions, as well as additional regulatory guidance that may be issued. We expect to complete our detailed analysis no later than the fourth quarter of 2018. For further information, see Note 8 to the consolidated financial statements.

Legal, environmental and investigation matters

As discussed in Note 7 of our consolidated financial statements, as of December 31, 2017, we have accrued an estimate of the probable and estimable costs for the resolution of some of our legal, environmental and investigation matters. For other matters for which the liability is not probable and reasonably estimable, we have not accrued any amounts. Attorneys in our legal department monitor and manage all claims filed against us and review all pending investigations. Generally, the estimate of probable costs related to these matters is developed in consultation with internal and outside legal counsel representing us. Our estimates are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. The accuracy of these estimates is impacted by, among other things, the complexity of the issues and the amount of due diligence we have been able to perform. We attempt to resolve these matters through settlements, mediation and arbitration proceedings when possible. If the actual settlement costs, final judgments or fines, after appeals, differ from our estimates, there may be a material adverse effect on our future financial results. We have in the past recorded significant adjustments to our initial estimates of these types of contingencies.

Value of long-lived assets, including intangible assets and goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill and other intangibles. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our earnings. Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We conduct impairment tests on goodwill annually, during the third quarter, or more frequently whenever events or changes in circumstances indicate an impairment may exist. We conduct impairment tests on long-lived assets, other than goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

When conducting an impairment test on long-lived assets, other than goodwill, we first compare estimated future undiscounted cash flows associated with the asset to the asset’s carrying amount. If the undiscounted cash flows are less than the asset’s carrying amount, we then determine the asset's fair value by using a discounted cash flow analysis. These analyses are based on estimates such as management’s short-term and long-term forecast of operating performance, including revenue growth rates and expected profitability margins, estimates of the remaining useful life and service potential of the asset, and a discount rate based on our weighted average cost of capital.

We perform our goodwill impairment assessment for each reporting unit, which is the same as our reportable segments, the Completion and Production division and the Drilling and Evaluation division, comparing the estimated fair value of each reporting unit to the reporting unit’s carrying value, including goodwill. We estimate the fair value for each reporting unit using a discounted cash flow analysis based on management’s short-term and long-term forecast of operating performance. This analysis includes significant assumptions regarding discount rates, revenue growth rates, expected profitability margins, forecasted capital expenditures and the timing of expected future cash flows based on market conditions. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is measured and recorded.

The impairment assessments discussed above incorporate inherent uncertainties, including projected commodity pricing, supply and demand for our services and future market conditions, which are difficult to predict in volatile economic environments and could result in impairment charges in future periods if actual results materially differ from the estimated assumptions utilized in our forecasts. If crude oil prices decline significantly and remain at low levels for a sustained period of time, we could be required to record an impairment of the carrying value of our long-lived assets in the future which could have a material adverse impact on our operating results. See Note 1 to the consolidated financial statements for our accounting policies related to long-lived assets as well as the results of our annual goodwill impairment assessment.

Acquisitions-purchase price allocation

We allocate the purchase price of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. We use all available information to estimate fair values, including quoted market prices, the carrying value of acquired assets and widely accepted valuation techniques such as discounted cash flows. We engage third-party appraisal firms when appropriate to assist in fair value determination of inventories, identifiable intangible assets and any other significant assets or liabilities. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations. Our acquisitions may also include contingent consideration, or earn-out provisions, which provide for additional consideration to be paid to the seller if certain future conditions are met. These earn-out provisions are estimated and recognized at fair value at the acquisition date based on projected earnings or other financial metrics over specified periods after the acquisition date. These estimates are reviewed during the specified period and adjusted based on actual results.

Allowance for bad debts, primarily related to receivables in Venezuela

We evaluate our global accounts receivable through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, financial condition of our customers and whether the receivables involve retainages. We also consider the economic environment of our customers, both from a marketplace and geographic perspective, in evaluating the need for an allowance. Based on our review of these factors, we establish or adjust allowances for specific customers and the accounts receivable portfolio as a whole. This process involves a high degree of judgment and estimation, and frequently involves significant dollar amounts. Accordingly, our results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts. Our estimates of allowances for bad debts have historically been accurate. Over the last five years, our estimates of allowances for bad debts, as a percentage of notes and accounts receivable before the allowance, have ranged from 1.8% to 12.8%. During 2017, we significantly increased our allowance for bad debts related to accounts receivable with our primary customer in Venezuela as a result of delayed payments, deteriorating market conditions in Venezuela and a recent credit downgrade. At December 31, 2017, allowance for bad debts totaled $725 million, or 12.8% of notes and accounts receivable before the allowance. At December 31, 2016, allowance for bad debts totaled $175 million, or 4.3% of notes and accounts receivable before the allowance. A hypothetical 100 basis point change in our estimate of the collectability of our notes and accounts receivable balance as of December 31, 2017 would have resulted in a $57 million adjustment to 2017 total operating costs and expenses. See Note 3 to the consolidated financial statements for further information.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2017, we had no material off balance sheet arrangements, except for operating leases. In the normal course of business, we have agreements with financial institutions under which approximately $1.8 billion of letters of credit, bank guarantees or surety bonds were outstanding as of December 31, 2017. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements. For information on our contractual obligations related to operating leases, see Note 7 to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Contractual obligations."

FINANCIAL INSTRUMENT MARKET RISK

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The counterparties to our forward contracts, options and interest rate swaps are global commercial and investment banks.

We use a sensitivity analysis model to measure the impact of potential adverse movements in foreign currency exchange rates and interest rates. With respect to foreign exchange sensitivity, after consideration of the impact from our foreign exchange hedges, a hypothetical 10% adverse change in the value of all our foreign currency positions relative to the United States dollar as of December 31, 2017 would result in a $55 million, pre-tax, loss for our net monetary assets denominated in currencies other than United States dollars. With respect to interest rates sensitivity, after consideration of the impact from our interest rate swap, a hypothetical 100 basis point increase in the LIBOR rate would result in approximately an additional $1 million of interest charges for the year ended December 31, 2017.

There are certain limitations inherent in the sensitivity analyses presented, primarily due to the assumption that exchange rates and interest rates change instantaneously in an equally adverse fashion. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled. While this is our best estimate of the impact of the various scenarios, these estimates should not be viewed as forecasts.

For further information regarding foreign currency exchange risk, interest rate risk and credit risk, see Note 12 to the consolidated financial statements.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 7 to the consolidated financial statements and Part I, Item 1(a), “Risk Factors.”

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-K are forward-looking and use words like “may,” “may not,” “believe,” “do not believe,” “plan,” “estimate,” “intend,” “expect,” “do not expect,” “anticipate,” “do not anticipate,” “should,” "would," "could," “likely” and other expressions. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of our operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Halliburton Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act Rule 13a-15(f).

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

In July 2017, we acquired Summit ESP. For purposes of determining the effectiveness of our internal control over financial reporting, management has excluded Summit ESP from its evaluation. The acquired business represented approximately 2% of our consolidated total assets at December 31, 2017 and less than 1% of our consolidated revenues for the year ended December 31, 2017.

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation to assess the effectiveness of our internal control over financial reporting as of December 31, 2017 based upon criteria set forth in the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we believe that, as of December 31, 2017, our internal control over financial reporting is effective.

The effectiveness of Halliburton's internal control over financial reporting as of December 31, 2017 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that is included herein.

HALLIBURTON COMPANY

by

/s/ Jeffrey A. Miller	/s/ Christopher T. Weber
Jeffrey A. Miller	Christopher T. Weber
President and	Executive Vice President and
Chief Executive Officer	Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Halliburton Company and subsidiaries (the "Company") as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 9, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 14 to the consolidated financial statements, the Company changed its method of accounting for deferred income taxes related to intra-entity transfers other than inventory effective January 1, 2017 due to the adoption of FASB ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory.*

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Houston, Texas
February 9, 2018

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on Internal Control Over Financial Reporting

We have audited Halliburton Company's (the "Company") internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and related notes (collectively, the "consolidated financial statements"), and our report dated February 9, 2018 expressed an unqualified opinion on those consolidated financial statements.

As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting of Summit ESP ("Summit"), which was acquired during 2017 and whose total assets constituted 2% of consolidated total assets and total revenues constituted less than 1% of consolidated total revenue as of and for the year ended December 31, 2017. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Summit.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 9, 2018

HALLIBURTON COMPANY
Consolidated Statements of Operations

Millions of dollars and shares except per share data	Year Ended December 31 2017	2016	2015
Revenue:			
Services	$ 15,408	$ 11,140	$ 16,981
Product sales	5,212	4,747	6,652
Total revenue	20,620	15,887	23,633
Operating costs and expenses:			
Cost of services	14,213	11,253	16,014
Cost of sales	4,142	3,770	5,099
Merger-related costs and termination fee	—	4,057	308
Impairments and other charges	647	3,357	2,177
General and administrative	256	228	200
Total operating costs and expenses	19,258	22,665	23,798
Operating income (loss)	1,362	(6,778)	(165)
Interest expense, net of interest income of $112, $59 and $16	(593)	(639)	(447)
Other, net	(87)	(208)	(324)
Income (loss) from continuing operations before income taxes	682	(7,625)	(936)
Income tax benefit (provision)	(1,131)	1,858	274
Loss from continuing operations	(449)	(5,767)	(662)
Loss from discontinued operations, net	(19)	(2)	(5)
Net loss	$ (468)	$ (5,769)	$ (667)
Net (income) loss attributable to noncontrolling interest	5	6	(4)
Net loss attributable to company	$ (463)	$ (5,763)	$ (671)
Amounts attributable to company shareholders:			
Loss from continuing operations	$ (444)	$ (5,761)	$ (666)
Loss from discontinued operations, net	(19)	(2)	(5)
Net loss attributable to company	$ (463)	$ (5,763)	$ (671)
Basic and diluted loss per share attributable to company shareholders:			
Loss from continuing operations	$ (0.51)	$ (6.69)	$ (0.78)
Loss from discontinued operations, net	(0.02)	—	(0.01)
Net loss per share	$ (0.53)	$ (6.69)	$ (0.79)
Basic and diluted weighted average common shares outstanding	870	861	853

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Comprehensive Income

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Net loss	$ (468)	$ (5,769)	$ (667)
Other comprehensive income (loss), net of income taxes:			
Defined benefit and other post retirement plans adjustment	(22)	(92)	105
Unrealized loss on cash flow hedges	—	—	(67)
Other	7	1	(2)
Other comprehensive income (loss), net of income taxes	(15)	(91)	36
Comprehensive loss	$ (483)	$ (5,860)	$ (631)
Comprehensive (income) loss attributable to noncontrolling interest	5	6	(4)
Comprehensive loss attributable to company shareholders	$ (478)	$ (5,854)	$ (635)

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Balance Sheets

Millions of dollars and shares except per share data	December 31 2017	December 31 2016
Assets		
Current assets:		
Cash and equivalents	$ 2,337	$ 4,009
Receivables (net of allowances for bad debts of $725 and $175)	5,036	3,922
Inventories	2,396	2,275
Prepaid income taxes	133	585
Other current assets	875	886
Total current assets	10,777	11,677
Property, plant and equipment (net of accumulated depreciation of $12,249 and $11,198)	8,521	8,532
Goodwill	2,693	2,414
Deferred income taxes	1,230	1,960
Other assets	1,864	2,417
Total assets	$ 25,085	$ 27,000
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 2,554	$ 1,764
Accrued employee compensation and benefits	746	544
Short-term borrowings and current maturities of long-term debt	512	170
Deferred revenue	257	261
Taxes other than income	231	218
Liabilities for Macondo well incident	—	369
Other current liabilities	562	697
Total current liabilities	4,862	4,023
Long-term debt	10,430	12,214
Employee compensation and benefits	609	574
Other liabilities	835	741
Total liabilities	16,736	17,552
Shareholders' equity:		
Common shares, par value $2.50 per share (authorized 2,000 shares, issued 1,069 and 1,070 shares)	2,673	2,674
Paid-in capital in excess of par value	207	201
Accumulated other comprehensive loss	(469)	(454)
Retained earnings	12,668	14,141
Treasury stock, at cost (196 and 204 shares)	(6,757)	(7,153)
Company shareholders' equity	8,322	9,409
Noncontrolling interest in consolidated subsidiaries	27	39
Total shareholders' equity	8,349	9,448
Total liabilities and shareholders' equity	$ 25,085	$ 27,000

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Cash Flows

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Cash flows from operating activities:			
Net loss	$ (468)	$ (5,769)	$ (667)
Adjustments to reconcile net loss to cash flows from operating activities:			
Depreciation, depletion and amortization	1,556	1,503	1,835
Deferred income tax provision (benefit), continuing operations	734	(1,501)	(224)
Impairments and other charges	647	3,357	2,177
U.S. tax refund	478	430	—
Payment related to the Macondo well incident	(368)	(33)	(333)
Cash impact of impairments and other charges - severance payments	—	(273)	(304)
Changes in assets and liabilities:			
Receivables	(1,350)	899	1,468
Accounts payable	753	(219)	(603)
Inventories	(29)	552	153
Other	515	(649)	(596)
Total cash flows provided by (used in) operating activities	2,468	(1,703)	2,906
Cash flows from investing activities:			
Capital expenditures	(1,373)	(798)	(2,184)
Payments to acquire businesses, net of cash acquired	(628)	(31)	(39)
Proceeds from sales of property, plant and equipment	158	222	168
Other investing activities	(84)	(103)	(137)
Total cash flows used in investing activities	(1,927)	(710)	(2,192)
Cash flows from financing activities:			
Payments on long-term borrowings	(1,641)	(3,171)	(8)
Dividends to shareholders	(626)	(620)	(614)
Proceeds from issuance of common stock	158	186	167
Proceeds from issuance of long-term debt, net	10	74	7,440
Other financing activities	(62)	(9)	96
Total cash flows used in financing activities	(2,161)	(3,540)	7,081
Effect of exchange rate changes on cash	(52)	(115)	(9)
Increase (decrease) in cash and equivalents	(1,672)	(6,068)	7,786
Cash and equivalents at beginning of year	4,009	10,077	2,291
Cash and equivalents at end of year	$ 2,337	$ 4,009	$ 10,077
Supplemental disclosure of cash flow information:			
Cash payments (receipts) during the period for:			
Interest	$ 594	$ 659	$ 380
Income taxes	$ (178)	$ (20)	$ 370

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Shareholders' Equity

Millions of dollars	Common Shares	Paid-in Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interest in Consolidated Subsidiaries	Total
	Company Shareholders' Equity						
Balance at December 31, 2014	$ 2,679	$ 309	$ (8,131)	$ 21,809	$ (399)	$ 31	$ 16,298
Comprehensive income (loss):							
Net income (loss)	—	—	—	(671)	—	4	(667)
Other comprehensive income	—	—	—	—	36	—	36
Stock plans	(2)	(39)	481	—	—	—	440
Cash dividends ($0.72 per share)	—	—	—	(614)	—	—	(614)
Other	—	4	—	—	—	(2)	2
Balance at December 31, 2015	$ 2,677	$ 274	$ (7,650)	$ 20,524	$ (363)	$ 33	$ 15,495
Comprehensive income (loss):							
Net loss	—	—	—	(5,763)	—	(6)	(5,769)
Other comprehensive loss	—	—	—	—	(91)	—	(91)
Stock plans	(3)	(69)	497	—	—	—	425
Cash dividends ($0.72 per share)	—	—	—	(620)	—	—	(620)
Other	—	(4)	—	—	—	12	8
Balance at December 31, 2016	$ 2,674	$ 201	$ (7,153)	$ 14,141	$ (454)	$ 39	$ 9,448
Comprehensive income (loss):							
Net loss	—	—	—	(463)	—	(5)	(468)
Retained earnings adjustment for new accounting standard	—	—	—	(384)	—	—	(384)
Other comprehensive loss	—	—	—	—	(15)	—	(15)
Stock plans	(1)	6	396	—	—	—	401
Cash dividends ($0.72 per share)	—	—	—	(626)	—	—	(626)
Other	—	—	—	—	—	(7)	(7)
Balance at December 31, 2017	$ 2,673	$ 207	$ (6,757)	$ 12,668	$ (469)	$ 27	$ 8,349

See notes to consolidated financial statements.

Note 1. Description of Company and Significant Accounting Policies

Description of Company

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. We help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Use of estimates

Our financial statements are prepared in conformity with United States generally accepted accounting principles, requiring us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenue and expenses during the reporting period.

We believe the most significant estimates and assumptions are associated with the forecasting of our effective income tax rate and the valuation of deferred taxes, legal and environmental reserves, long-lived asset valuations, purchase price allocations and allowance for bad debts. Ultimate results could differ from our estimates.

Basis of presentation

The consolidated financial statements include the accounts of our company and all of our subsidiaries that we control or variable interest entities for which we have determined that we are the primary beneficiary. All material intercompany accounts and transactions are eliminated. Investments in companies in which we do not have a controlling interest, but over which we do exercise significant influence, are accounted for using the equity method of accounting. If we do not have significant influence, we use the cost method of accounting. In addition, certain reclassifications of prior period balances have been made to conform to the current period presentation.

Revenue recognition

Our services and products are generally sold based upon purchase orders or contracts with our customers that include fixed or determinable prices but do not include right of return provisions or other significant post-delivery obligations. Our products are produced in a standard manufacturing operation, even if produced to our customer's specifications. We recognize revenue from product sales when title passes to the customer, the customer assumes risks and rewards of ownership, collectability is reasonably assured and delivery occurs as directed by our customer. Service revenue, including training and consulting services, is recognized when the services are rendered and collectability is reasonably assured. Rates for services are typically priced on a per day, per meter, per man-hour or similar basis. We will adopt a new revenue recognition standard effective January 1, 2018 that will supersede existing revenue recognition guidance. See Note 14 for additional information.

Research and development

Research and development costs are expensed as incurred. Research and development costs were $360 million in 2017, $329 million in 2016 and $487 million in 2015.

Cash equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost represents invoice or production cost for new items and original cost less allowance for condition for used material returned to stock. Production cost includes material, labor and manufacturing overhead. Some domestic manufacturing and field service finished products and parts inventories for drill bits, completion products and bulk materials are recorded using the last-in, first-out method. The remaining inventory is recorded on the average cost method. We regularly review inventory quantities on hand and record provisions for excess or obsolete inventory based primarily on historical usage, estimated product demand and technological developments.

Allowance for bad debts

We establish an allowance for bad debts through a review of several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. Our policy is to write off bad debts when the customer accounts are determined to be uncollectible.

Property, plant and equipment

Other than those assets that have been written down to their fair values due to impairment, property, plant and equipment are reported at cost less accumulated depreciation, which is generally provided on the straight-line method over the estimated useful lives of the assets. Accelerated depreciation methods are used for tax purposes, wherever permitted. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized. Planned major maintenance costs are generally expensed as incurred. Expenditures for additions, modifications and conversions are capitalized when they increase the value or extend the useful life of the asset.

Goodwill and other intangible assets

We record as goodwill the excess purchase price over the fair value of the tangible and identifiable intangible assets acquired in a business acquisition. Changes in the carrying amount of goodwill are detailed below by reportable segment.

Millions of dollars	Completion and Production	Drilling and Evaluation	Total
Balance at December 31, 2015:	$ 1,634	$ 751	$ 2,385
Current year acquisitions	31	—	31
Purchase price adjustments for previous acquisitions	(2)	—	(2)
Other	16	(16)	—
Balance at December 31, 2016:	$ 1,679	$ 735	$ 2,414
Current year acquisitions	249	36	285
Purchase price adjustments for previous acquisitions	(6)	—	(6)
Balance at December 31, 2017:	$ 1,922	$ 771	$ 2,693

During 2017, we acquired three businesses, Summit ESP, Ingrain Inc. and Optimization Petroleum Technology, which resulted in approximately $285 million of additional goodwill based on our preliminary purchase price allocations. The reported amounts of goodwill for each reporting unit are reviewed for impairment on an annual basis, during the third quarter, and more frequently when circumstances indicate an impairment may exist. As a result of our goodwill impairment assessments performed in the years ended December 31, 2017, 2016 and 2015, we determined that the fair value of each reporting unit exceeded its net book value and, therefore, no goodwill impairments were deemed necessary. For further information on our goodwill impairment assessments, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates.”

We amortize other identifiable intangible assets with a finite life on a straight-line basis over the period which the asset is expected to contribute to our future cash flows, ranging from one to fifteen years. The components of these other intangible assets generally consist of patents, license agreements, non-compete agreements, trademarks and customer lists and contracts.

Evaluating impairment of long-lived assets

When events or changes in circumstances indicate that long-lived assets other than goodwill may be impaired, an evaluation is performed. For an asset classified as held for use, the estimated future undiscounted cash flows associated with the asset are compared to the asset’s carrying amount to determine if a write-down to fair value is required. When an asset is classified as held for sale, the asset’s book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. In addition, depreciation and amortization is ceased while it is classified as held for sale.

Income taxes

We recognize the amount of taxes payable or refundable for the year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowances.

We recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in our consolidated statements of operations.

During 2017, the President of the United States signed into law what is informally called the Tax Cuts and Jobs Act of 2017, a comprehensive U.S. tax reform package that, effective January 1, 2018, among other things, lowered the corporate income tax rate from 35% to 21% and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. See Note 8 for further information.

Derivative instruments

At times, we enter into derivative financial transactions to hedge existing or projected exposures to changing foreign currency exchange rates and interest rates. We do not enter into derivative transactions for speculative or trading purposes. We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value and reflected through the results of operations. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against:

- the change in fair value of the hedged assets, liabilities or firm commitments through earnings; or
- recognized in other comprehensive income until the hedged item is recognized in earnings.

The ineffective portion of a derivative's change in fair value is recognized in earnings. Recognized gains or losses on derivatives entered into to manage foreign currency exchange risk are included in "Other, net" on the consolidated statements of operations. Gains or losses on interest rate derivatives are included in "Interest expense, net."

Foreign currency translation

Foreign entities whose functional currency is the United States dollar translate monetary assets and liabilities at year-end exchange rates, and nonmonetary items are translated at historical rates. Revenue and expense transactions are translated at the average rates in effect during the year, except for those expenses associated with nonmonetary balance sheet accounts, which are translated at historical rates. Gains or losses from remeasurement of monetary assets and liabilities due to changes in exchange rates are recognized in our consolidated statements of operations in "Other, net" in the year of occurrence.

Stock-based compensation

Stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award and is recognized as expense over the employee's service period, which is generally the vesting period of the equity grant. Additionally, compensation cost is recognized based on awards ultimately expected to vest, therefore, we have reduced the cost for estimated forfeitures based on historical forfeiture rates. Forfeitures are estimated at the time of grant and revised in subsequent periods to reflect actual forfeitures. See Note 10 and Note 14 for additional information related to stock-based compensation.

Note 2. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment. For more information about the product service lines included in each segment, see Part I, Item 1, "Business." Corporate and other includes certain expenses not attributable to a particular business segment such as costs related to support functions and corporate executives. Other items include amortization expense associated with intangible assets recorded as a result of our acquisitions in 2017 and merger-related costs in 2016 and 2015. The balance sheet for Corporate is primarily composed of cash and equivalents, deferred tax assets and investment securities. Intersegment revenue and revenue between geographic areas are immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for using the equity method of accounting are included within cost of services and cost of sales on our statements of operations, which is part of operating income of the applicable segment.

The following tables present financial information on our business segments.

Operations by business segment

Millions of dollars	Year Ended December 31 2017	2016	2015
Revenue:			
Completion and Production	$ 13,077	$ 8,882	$ 13,682
Drilling and Evaluation	7,543	7,005	9,951
Total revenue	$ 20,620	$ 15,887	$ 23,633
Operating income (loss):			
Completion and Production	$ 1,621	$ 107	$ 1,069
Drilling and Evaluation	718	794	1,519
Total operations	2,339	901	2,588
Corporate and other (a)	(330)	(4,322)	(576)
Impairments and other charges (b)	(647)	(3,357)	(2,177)
Total operating income (loss)	$ 1,362	$ (6,778)	$ (165)
Interest expense, net of interest income	$ (593)	$ (639)	$ (447)
Other, net	(87)	(208)	(324)
Income (loss) from continuing operations before income taxes	$ 682	$ (7,625)	$ (936)
Capital expenditures:			
Completion and Production	$ 1,111	$ 500	$ 1,526
Drilling and Evaluation	261	297	650
Corporate and other	1	1	8
Total	$ 1,373	$ 798	$ 2,184
Depreciation, depletion and amortization:			
Completion and Production	$ 953	$ 900	$ 1,160
Drilling and Evaluation	563	569	638
Corporate and other	40	34	37
Total	$ 1,556	$ 1,503	$ 1,835

(a) Includes merger-related costs for the periods presented, including a $3.5 billion termination fee and an aggregate $464 million of charges for the reversal of assets held for sale accounting during the year ended December 31, 2016.

(b) Impairments and other charges are as follows:

-For the year ended December 31, 2017, the aggregate charge of $647 million represents a fair market value adjustment on our existing promissory note with our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer.

-For the year ended December 31, 2016, includes $2.1 billion attributable to Completion and Production, $1.2 billion attributable to Drilling and Evaluation and $10 million attributable to Corporate and other.

-For the year ended December 31, 2015, includes $1.1 billion attributable to Completion and Production, $1.0 billion attributable to Drilling and Evaluation and $88 million attributable to Corporate and other.

Millions of dollars	December 31 2017	2016
Total assets:		
Completion and Production	$ 12,276	$ 10,349
Drilling and Evaluation	7,837	8,473
Shared assets	2,913	3,371
Corporate and other	2,059	4,807
Total	$ 25,085	$ 27,000

Not all assets are associated with specific segments. Those assets specific to segments include receivables, inventories, certain identified property, plant and equipment (including field service equipment), equity in and advances to related companies and goodwill. The remaining assets, such as cash and equivalents, are considered to be shared among the segments.

The following tables present information by geographic area. In 2017, 2016 and 2015, based on the location of services provided and products sold, 53%, 41% and 44% of our consolidated revenue was from the United States. As of December 31, 2017 and December 31, 2016, 56% and 50% of our property, plant and equipment was located in the United States. No other country accounted for more than 10% of our revenue or property, plant and equipment during the periods presented.

Operations by geographic region

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Revenue:			
North America	$ 11,564	$ 6,770	$ 10,856
Latin America	2,116	1,860	3,149
Europe/Africa/CIS	2,781	2,993	4,175
Middle East/Asia	4,159	4,264	5,453
Total	$ 20,620	$ 15,887	$ 23,633

	December 31	
Millions of dollars	2017	2016
Net property, plant and equipment:		
North America	$ 4,922	$ 4,431
Latin America	945	1,068
Europe/Africa/CIS	1,098	1,253
Middle East/Asia	1,556	1,780
Total	$ 8,521	$ 8,532

Note 3. Receivables

As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. As of December 31, 2016, 27% of our net trade receivables were from customers in the United States and 15% were from customers in Venezuela. Other than the United States and Venezuela, no other country or single customer accounted for more than 10% of our trade receivables at these dates.

We routinely monitor the financial stability of our customers, and employ an extensive process to evaluate the collectability of outstanding receivables. This process, which involves a high degree of judgment utilizing significant assumptions, includes analysis of our customers' historical time to pay, financial condition and various financial metrics, debt structure, credit agency ratings and production profile, as well as political and economic factors in countries of operations and other customer-specific factors.

Venezuela. We continue to experience delays in collecting payments on our receivables from our primary customer in Venezuela. These outstanding receivables are not disputed, and we have not historically had material write-offs relating to this customer. We are actively managing our strategic relationship with this customer, with ongoing dialogue between key executives of both companies, including discussions regarding this customer's intention to pay outstanding receivables. We will continue to vigorously pursue collection as we do business going forward in accordance with applicable U.S. sanctions.

During 2016, we exchanged $200 million of accounts receivables with our primary customer in Venezuela for an interest-bearing promissory note with a par value of the same amount. We recognized a pre-tax loss on the exchange of $148 million at that time and had been accreting the carrying amount of the note to its par value from the third quarter of 2016 through the fourth quarter of 2017. We received our first principal payment in November 2017 and received five scheduled interest payments since the note's inception, but have not received the principal and interest payments scheduled in December 2017. In November 2017, several credit rating agencies downgraded this customer's credit rating, some as low as a default level.

As a result of this credit downgrade, delayed payments, and deteriorating market conditions in Venezuela, we changed our accounting for our promissory note from held-to-maturity to available-for-sale, will no longer accrete the value of the note going forward, and will mark the note to its fair market value on a quarterly basis with any unrealized gains and losses included as a component of accumulated other comprehensive loss. Accordingly, we recognized an aggregate charge of $385 million during the fourth quarter of 2017, consisting of $77 million for a fair market value adjustment of the note and $308 million for a full reserve against our other accounts receivable with this customer. During the second quarter of 2017, we recognized a charge of $262 million in anticipation of completing an additional note exchange with this customer. However, based on recent executive management changes at, and recent conversations with, this customer, we no longer expect this transaction to take place. The aggregate charges of $647 million during 2017 relating to Venezuela are included within "Impairments and other charges" in our consolidated statements of operations.

As of December 31, 2017, we had $117 million in total outstanding net trade receivables in Venezuela, compared to $610 million as of December 31, 2016. The majority of these receivables are United States dollar-denominated. Additionally, the carrying amount of our existing promissory note was $32 million as of December 31, 2017 and classified as “Other assets” on our consolidated balance sheets, compared to its par value of $175 million. We still intend to hold this promissory note to maturity and will continue to vigorously pursue collection on this note and other accounts receivable with this customer.

On January 29, 2018, the Venezuelan government announced that it has changed the existing dual-rate foreign exchange system by eliminating the DIPRO foreign exchange rate. All future currency transactions will now be carried out at the DICOM floating rate. We are currently evaluating the impact that this change in foreign exchange system will have on our business, consolidated results of operations and consolidated financial condition. This includes potential further write-downs of our net investment in Venezuela, which was approximately $202 million as of December 31, 2017. See “Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations” for additional information about the foreign currency exchange system in Venezuela, Note 12 for additional information about the promissory note and Part I, Item 1(a), “Risk Factors” for additional information on risks associated with our operations in Venezuela, including recent sanctions imposed in the country.

The following table presents a rollforward of our global allowance for bad debts for 2015, 2016 and 2017.

Millions of dollars	Balance at Beginning of Period	Charged to Costs and Expenses	Write-Offs	Balance at End of Period
Year ended December 31, 2015	$ 137	$ 44	$ (36)	$ 145
Year ended December 31, 2016	145	50	(20)	175
Year ended December 31, 2017	175	568	(18)	725

Note 4. Inventories

Inventories are stated at the lower of cost and net realizable value. In the United States, we manufacture certain finished products and parts inventories for drill bits, completion products, bulk materials and other tools that are recorded using the last-in, first-out method, which totaled $177 million at December 31, 2017 and $133 million at December 31, 2016. If the average cost method had been used, total inventories would have been $31 million higher than reported as of December 31, 2017 and $16 million higher as of December 31, 2016. The cost of the remaining inventory was recorded using the average cost method. Inventories consisted of the following:

	December 31	
Millions of dollars	2017	2016
Finished products and parts	$ 1,547	$ 1,388
Raw materials and supplies	703	778
Work in process	146	109
Total	$ 2,396	$ 2,275

All amounts in the table above are reported net of obsolescence reserves of $276 million at December 31, 2017 and $263 million at December 31, 2016.

Note 5. Property, Plant and Equipment

Property, plant and equipment were composed of the following:

Millions of dollars	December 31 2017	2016
Land	$ 248	$ 228
Buildings and property improvements	3,460	3,399
Machinery, equipment and other	17,062	16,103
Total	20,770	19,730
Less accumulated depreciation	12,249	11,198
Net property, plant and equipment	$ 8,521	$ 8,532

Classes of assets are depreciated over the following useful lives:

	Buildings and Property Improvements	
	2017	2016
1 - 10 years	11%	11%
11 - 20 years	42%	42%
21 - 30 years	22%	22%
31 - 40 years	25%	25%

	Machinery, Equipment and Other	
	2017	2016
1 - 5 years	35%	34%
6 - 10 years	56%	57%
11 - 20 years	9%	9%

Note 6. Debt

Our total debt, including short-term borrowings and current maturities of long-term debt, consisted of the following:

	December 31	
Millions of dollars	2017	2016
5.0% senior notes due November 2045	$ 2,000	$ 2,000
3.8% senior notes due November 2025	2,000	2,000
3.5% senior notes due August 2023	1,100	1,100
4.85% senior notes due November 2035	1,000	1,000
7.45% senior notes due September 2039	1,000	1,000
4.75% senior notes due August 2043	900	900
6.7% senior notes due September 2038	800	800
3.25% senior notes due November 2021	500	500
4.5% senior notes due November 2041	500	500
2.0% senior notes due August 2018	400	400
7.6% senior debentures due August 2096	300	300
8.75% senior debentures due February 2021	185	185
6.75% notes due February 2027	104	104
6.15% senior notes due September 2019	—	1,000
5.9% senior notes due September 2018	—	400
7.53% notes due May 2017	—	45
Other	251	260
Unamortized debt issuance costs and discounts	(98)	(110)
Total	10,942	12,384
Short-term borrowings and current maturities of long-term debt	(512)	(170)
Total long-term debt	$ 10,430	$ 12,214

Senior debt

All of our senior notes and debentures rank equally with our existing and future senior unsecured indebtedness, have semiannual interest payments and have no sinking fund requirements. We may redeem all of our senior notes from time to time or all of the notes of each series at any time at the applicable redemption prices, plus accrued and unpaid interest. Our 7.60% and 8.75% senior debentures may not be redeemed prior to maturity.

In March 2017, we used cash on hand to redeem an aggregate principal amount of $1.4 billion of senior notes, which consisted of $400 million of 5.9% senior notes due September 2018 and $1.0 billion of 6.15% senior notes due September 2019. In conjunction with this redemption, we terminated a series of interest rate swaps associated with these senior notes. As a result, we recorded $104 million in costs related to the early extinguishment of debt, which included the redemption premium and a write-off of the remaining original debt issuance costs and debt discount, partially offset by a gain from the termination of the related interest rate swap agreements. These debt extinguishment costs are included in interest expense on our consolidated statement of operations for the year ended December 31, 2017. We also repaid $45 million of notes that matured in May 2017. Our $400 million of 2.0% senior notes will mature in August 2018, which we intend to repay with cash on hand.

Revolving credit facilities

We have a revolving credit facility with a capacity of $3.0 billion which expires in July 2020. The facility is for working capital or general corporate purposes. The full amount of the revolving credit facility was available as of December 31, 2017.

Debt maturities

Our long-term debt matures as follows: $440 million in 2018, $30 million in 2019, $26 million in 2020, $709 million in 2021, $14 million in 2022 and the remainder in 2023 and thereafter.

Note 7. Commitments and Contingencies

Securities and related litigation

In June 2002, a class action lawsuit was commenced against us in federal court alleging violations of the federal securities laws in connection with our change in accounting for revenue on long-term construction projects and related disclosures. In the weeks that followed, approximately twenty similar class actions were filed against us. The class action cases were later consolidated, and the amended consolidated class action complaint was filed and served upon us in April 2003. In June 2003, the plaintiffs filed a second amended consolidated complaint that included claims arising out of our 1998 acquisition of Dresser Industries, Inc. and our disclosures and reserves relating to our asbestos liability exposure.

In December 2016, we reached an agreement in principle to settle this lawsuit, without any admission of liability and subject to approval by the district court. During the second quarter of 2017, we paid approximately $54 million of the $100 million settlement fund, and our insurer paid the balance. On July 31, 2017, the district court issued final approval of the settlement.

The settlement resolves all pending cases other than *Magruder v. Halliburton Co., et. al.* (the Magruder case). The allegations arise out of the same general events described above, but for a later class period, December 8, 2001 to May 28, 2002. There has been limited activity in the Magruder case. In March 2009, our motion to dismiss was granted, with leave to re-plead. In March 2012, plaintiffs filed an amended complaint and in May 2012, we filed another motion to dismiss, which remains pending. We cannot predict the outcome or consequences of this case, which we intend to vigorously defend.

Environmental

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. In the United States, these laws and regulations include, among others:

- the Comprehensive Environmental Response, Compensation and Liability Act;
- the Resource Conservation and Recovery Act;
- the Clean Air Act;
- the Federal Water Pollution Control Act;
- the Toxic Substances Control Act; and
- the Oil Pollution Act.

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal and regulatory requirements. Our Health, Safety and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion we are involved in environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial position. Our accrued liabilities for environmental matters were $48 million as of December 31, 2017 and $50 million as of December 31, 2016. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for eight federal and state Superfund sites for which we have established reserves. As of December 31, 2017, those eight sites accounted for approximately $5 million of our $48 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

Guarantee arrangements

In the normal course of business, we have agreements with financial institutions under which approximately $1.8 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2017. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements.

Leases

We are party to numerous operating leases, primarily related to real estate, transportation and equipment. Total rentals on our operating leases, net of sublease rentals, were $574 million in 2017, $587 million in 2016 and $875 million in 2015.

Future total rentals on our noncancellable operating leases are $720 million in the aggregate, which includes the following: $166 million in 2018; $135 million in 2019; $100 million in 2020; $71 million in 2021; $54 million in 2022; and $194 million thereafter.

Note 8. Income Taxes

The components of the benefit (provision) for income taxes on continuing operations were:

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Current income taxes:			
Federal	$ 40	$ 737	$ 635
Foreign	(423)	(415)	(636)
State	(14)	35	51
Total current	(397)	357	50
Deferred income taxes:			
Federal	(678)	1,343	(18)
Foreign	(31)	77	262
State	(25)	81	(20)
Total deferred	(734)	1,501	224
Income tax benefit (provision)	$ (1,131)	$ 1,858	$ 274

The United States and foreign components of income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
Millions of dollars	2017	2016	2015
United States	$ 694	$ (6,636)	$ (1,560)
Foreign	(12)	(989)	624
Total	$ 682	$ (7,625)	$ (936)

Reconciliations between the actual provision for income taxes on continuing operations and that computed by applying the United States statutory rate to income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
	2017	2016	2015
United States statutory rate	35.0%	35.0%	35.0%
Impact of U.S. tax reform	113.0	—	—
Venezuela receivables adjustment	36.6	—	(7.5)
Impact of foreign income taxed at different rates	(18.3)	(3.2)	17.0
Valuation allowance against tax assets	(6.2)	(2.1)	(8.3)
Undistributed foreign earnings	3.8	(5.1)	—
Adjustments of prior year taxes	(2.3)	0.2	1.3
State income taxes	1.7	1.0	2.0
Domestic manufacturing deduction	—	(1.3)	—
Non-deductible acquisition costs	—	0.6	(4.5)
Other items, net	2.5	(0.7)	(5.7)
Total effective tax rate on continuing operations	165.8%	24.4%	29.3%

Our effective tax rate on continuing operations was 165.8% for 2017, 24.4% for 2016 and 29.3% for 2015. For the year ended December 31, 2017, we had the following significant items impacting our effective tax rate:

- we recorded an aggregate charge of $647 million on Venezuela receivables for which we are not recognizing a corresponding tax benefit. See Note 3 to the consolidated financial statements for further information;
- we recorded $770 million of tax expenses associated with United States tax reform, as described below; and
- we recognized income in our foreign operations in which the corresponding tax expenses are applied at lower statutory rates in certain jurisdictions.

On December 22, 2017, the President of the United States signed into law what is informally called the Tax Cuts and Jobs Act of 2017 (the "Act"), a comprehensive U.S. tax reform package that, effective January 1, 2018, among other things, lowered the corporate income tax rate from 35% to 21% and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. Under the accounting rules, companies are required to recognize the effects of changes in tax laws and tax rates on deferred tax assets and liabilities in the period in which the new legislation is enacted. The effects of the Act on Halliburton include three major categories: (i) recognition of liabilities for taxes on mandatory deemed repatriation, (ii) remeasurement of deferred taxes and (iii) reassessment of the realizability of deferred tax assets. As described further below, we recorded a total provision to income taxes of $770 million in the year ended December 31, 2017. As we do not have all the necessary information to analyze all income tax effects of the Act, this is a provisional amount which we believe represents a reasonable estimate of the accounting implications of this tax reform. We will continue to evaluate the Act and adjust the provisional amounts as additional information is obtained. The ultimate impact of tax reform may differ from our provisional amounts due to changes in our interpretations and assumptions, as well as additional regulatory guidance that may be issued.

We expect to complete our detailed analysis no later than the fourth quarter of 2018. Below is a brief description of each of the three categories of effects from U.S. tax reform and its impact on us:

(i) <u>Liability for taxes due on mandatory deemed repatriation</u> - under the Act, a company's foreign earnings accumulated under the legacy tax laws are deemed to be repatriated into the United States. We recorded a provisional estimate of federal and state tax related to deemed repatriation in the amount of approximately $305 million. However, we had an existing United States tax liability associated with foreign earnings that were not permanently reinvested outside the United States in the amount of $435 million. It is now expected that these foreign earnings can be repatriated to the United States without any additional United States tax above the amount accrued related to the mandatory deemed repatriation. Accordingly, we released the entire $435 million liability. This $435 million release combined with the provisional amount accrued related to the mandatory deemed repatriation of $305 million resulted in us recognizing a net benefit of approximately $130 million for this item. We are currently analyzing the potential tax liabilities attributable to any additional repatriation, but we have yet to determine whether we plan to change our prior assertion and repatriate any additional earnings. Accordingly, we have not recorded any deferred taxes attributable to other investments in our foreign subsidiaries. We will record the tax effects of any change in our prior assertion in the period that we complete our analysis and are able to make a reasonable estimate, and disclose any unrecognized deferred tax liability for temporary differences related to our foreign investments, if practicable.

(ii) <u>Remeasurement of deferred taxes</u> - under the Act, the U.S. corporate income tax rate was reduced from 35% to 21%. Accordingly, we remeasured our U.S. deferred tax assets as of December 31, 2017 to a 21% rate, resulting in a tax expense of $283 million.

(iii) <u>Reassessment of the realizability of deferred tax assets</u> - under the Act, many of the foreign tax credit utilization rules were changed that required us to reassess the realizability of our foreign tax credit deferred tax asset. After review, it was determined that under the new U.S. foreign tax credit rules we would not ultimately realize the full benefit associated with our foreign tax credits at December 31, 2017. Accordingly, we recognized a provisional estimate of a valuation allowance related to our foreign tax credits in the amount of $575 million. In addition, we had recorded foreign tax credit benefits associated with a liability related to uncertain tax benefits recorded on foreign branches of our U.S. subsidiaries. We determined that these foreign tax credits would also ultimately become unrealizable. Accordingly, a provision of approximately $40 million was recognized.

The primary components of our deferred tax assets and liabilities were as follows:

Millions of dollars	December 31 2017	December 31 2016
Gross deferred tax assets:		
Net operating loss carryforwards	$ 1,370	$ 1,647
Foreign tax credit carryforwards	828	648
Employee compensation and benefits	263	352
Accrued liabilities	97	325
Other	416	536
Total gross deferred tax assets	2,974	3,508
Gross deferred tax liabilities:		
Depreciation and amortization	315	585
Undistributed foreign earnings	242	406
Other	56	145
Total gross deferred tax liabilities	613	1,136
Valuation allowances	1,173	453
Net deferred income tax asset	$ 1,188	$ 1,919

At December 31, 2017, we had $1.4 billion of domestic and foreign tax-effected net operating loss carryforwards. The ultimate realization of these deferred tax assets depends on the ability to generate sufficient taxable income in the appropriate taxing jurisdiction. $161 million of the net operating loss carryforwards will expire after taxable years ended from 2018 through 2022, $160 million will expire after taxable years ended from 2023 through 2027, and $693 million will expire after taxable years ended from 2028 through 2037. The remaining balance will not expire. Additionally, we had $911 million of foreign tax credit carryforwards that will expire from 2023 through 2027, which are offset by foreign branch deferred activity reflected in the above table, along with $102 million of research and development tax credit carryforwards that will expire from 2028 through 2037.

The following table presents a rollforward of our unrecognized tax benefits and associated interest and penalties.

Millions of dollars	Unrecognized Tax Benefits	Interest and Penalties
Balance at January 1, 2015	$ 314	$ 56
Change in prior year tax positions	(33)	7
Change in current year tax positions	62	1
Cash settlements with taxing authorities	(16)	(15)
Lapse of statute of limitations	(5)	(2)
Balance at December 31, 2015	$ 322	$ 47
Change in prior year tax positions	44	20
Change in current year tax positions	129	3
Cash settlements with taxing authorities	(62)	(8)
Lapse of statute of limitations	(6)	(1)
Balance at December 31, 2016	$ 427 (a)	$ 61
Change in prior year tax positions	(108)	—
Change in current year tax positions	24	2
Cash settlements with taxing authorities	(6)	—
Lapse of statute of limitations	(4)	(3)
Balance at December 31, 2017	$ 333 (a)(b)	$ 60

(a) Includes $9 million as of December 31, 2017 and $84 million as of December 31, 2016 in foreign unrecognized tax benefits that would give rise to a United States tax credit. As of December 31, 2017 and December 31, 2016, approximately $319 million and $257 million, respectively, of unrecognized tax benefits would positively impact the effective tax rate and be recognized as additional tax benefits in our statement of operations if resolved in our favor.
(b) Includes $23 million that could be resolved within the next 12 months.

We file income tax returns in the United States federal jurisdiction and in various states and foreign jurisdictions. In most cases, we are no longer subject to state, local, or non-United States income tax examination by tax authorities for years

before 2009. Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. Currently, our United States federal tax filings for the tax years 2012 through 2015 are under review by the Internal Revenue Service, and the appeal process is closed for the tax years 2010 through 2011.

Note 9. Shareholders' Equity

Shares of common stock

The following table summarizes total shares of common stock outstanding:

	December 31	
Millions of shares	2017	2016
Issued	1,069	1,070
In treasury	(196)	(204)
Total shares of common stock outstanding	873	866

Our Board of Directors has authorized a program to repurchase our common stock from time to time. The program does not require a specific number of shares to be purchased and the program may be effected through solicited or unsolicited transactions in the market or in privately negotiated transactions. The program may be terminated or suspended at any time. There were no repurchases made under the program during the years ended December 31, 2017 and 2016. Approximately $5.7 billion remains authorized for repurchases as of December 31, 2017. From the inception of this program in February 2006 through December 31, 2017, we repurchased approximately 201 million shares of our common stock for a total cost of approximately $8.4 billion.

Preferred stock

Our preferred stock consists of five million total authorized shares at December 31, 2017, of which none are issued.

Accumulated other comprehensive loss

Accumulated other comprehensive loss consisted of the following:

	December 31	
Millions of dollars	2017	2016
Defined benefit and other postretirement liability adjustments (a)	$ (334)	$ (313)
Cumulative translation adjustment	(80)	(80)
Other	(55)	(61)
Total accumulated other comprehensive loss	$ (469)	$ (454)

(a) Included net actuarial losses for our international pension plans of $295 million at December 31, 2017 and $290 million at December 31, 2016.

Note 10. Stock-based Compensation

The following table summarizes stock-based compensation costs for the years ended December 31, 2017, 2016 and 2015.

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Stock-based compensation cost	$ 290	$ 262	$ 294
Tax benefit	(64)	(77)	(99)
Stock-based compensation cost, net of tax	$ 226	$ 185	$ 195

Our Stock and Incentive Plan, as amended (Stock Plan), provides for the grant of any or all of the following types of stock-based awards:

- stock options, including incentive stock options and nonqualified stock options;
- restricted stock awards;
- restricted stock unit awards;
- stock appreciation rights; and
- stock value equivalent awards.

There are currently no stock appreciation rights, stock value equivalent awards, or incentive stock options outstanding. Under the terms of the Stock Plan, approximately 206 million shares of common stock have been reserved for issuance to employees and non-employee directors. At December 31, 2017, approximately 19 million shares were available for future grants under the Stock Plan. The stock to be offered pursuant to the grant of an award under the Stock Plan may be authorized but unissued common shares or treasury shares.

In addition to the provisions of the Stock Plan, we also have stock-based compensation provisions under our Restricted Stock Plan for Non-Employee Directors and our Employee Stock Purchase Plan (ESPP).

Each of the active stock-based compensation arrangements is discussed below.

Stock options

The majority of our options are generally issued during the second quarter of the year. All stock options under the Stock Plan are granted at the fair market value of our common stock at the grant date. Employee stock options generally vest ratably over a three-year period and expire 10 years from the grant date. Compensation expense for stock options is generally recognized on a straight line basis over the entire vesting period.

The following table represents our stock options activity during 2017.

	Number of Shares (in millions)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2017	20.6	$ 44.01		
Granted	2.5	48.39		
Exercised	(1.4)	36.60		
Forfeited/expired	(0.7)	47.99		
Outstanding at December 31, 2017	21.0	$ 44.92	6.3	$ 138
Exercisable at December 31, 2017	15.0	$ 45.04	5.4	$ 105

The total intrinsic value of options exercised was $21 million in 2017, $25 million in 2016 and $9 million in 2015. As of December 31, 2017, there was $48 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options, which is expected to be recognized over a weighted average period of approximately two years.

Cash received from issuance of common stock was $158 million during 2017, $186 million during 2016 and $167 million during 2015, of which $53 million, $80 million and $23 million related to proceeds from exercises of stock options in 2017, 2016 and 2015, respectively. The remainder relates to cash proceeds from the issuance of shares related to our employee stock purchase plan.

The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility of options granted was a blended rate based upon implied volatility calculated on actively traded options on our common stock and upon the historical volatility of our common stock. The expected term of options granted was based upon historical observation of actual time elapsed between date of grant and exercise of options for all employees. The assumptions and resulting fair values of options granted were as follows:

	Year Ended December 31		
	2017	2016	2015
Expected term (in years)	5.24	5.21	5.16
Expected volatility	32%	37%	39%
Expected dividend yield	1.28 - 1.72%	1.35 - 2.46%	1.51 - 1.85%
Risk-free interest rate	1.79 - 2.14%	1.13 - 1.84%	1.43 - 1.72%
Weighted average grant-date fair value per share	$13.11	$12.33	$13.47

Restricted stock

Restricted shares issued under the Stock Plan are restricted as to sale or disposition. These restrictions lapse periodically generally over a period of five years. Restrictions may also lapse for early retirement and other conditions in accordance with our established policies. Upon termination of employment, shares on which restrictions have not lapsed must be returned to us, resulting in restricted stock forfeitures. The fair market value of the stock on the date of grant is amortized and charged to income on a straight-line basis over the requisite service period for the entire award.

The following table represents our restricted stock awards and restricted stock units granted, vested and forfeited during 2017.

	Number of Shares (in millions)	Weighted Average Grant-Date Fair Value per Share
Nonvested shares at January 1, 2017	15.1	$ 44.96
Granted	5.6	45.99
Vested	(4.5)	44.40
Forfeited	(1.1)	46.25
Nonvested shares at December 31, 2017	15.1	$ 45.42

The weighted average grant-date fair value of shares granted was $45.99 during 2017, $42.87 during 2016 and $43.24 during 2015. The total fair value of shares vested was $204 million during 2017, $223 million during 2016, and $211 million during 2015. As of December 31, 2017, there was $448 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested restricted stock, which is expected to be recognized over a weighted average period of three years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may have up to 10% of their earnings withheld, subject to some limitations, to be used to purchase shares of our common stock. The ESPP contains four three-month offering periods commencing on January 1, April 1, July 1 and October 1 of each year. The price at which common stock may be purchased under the ESPP is equal to 85% of the lower of the fair market value of the common stock on the commencement date or last trading day of each offering period. Under this plan, 74 million shares of common stock have been reserved for issuance. The stock to be offered may be authorized but unissued common shares or treasury shares. As of December 31, 2017, 46 million shares have been sold through the ESPP since the inception of the plan and 28 million shares are available for future issuance.

The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. The expected volatility was a one-year historical volatility of our common stock. The assumptions and resulting fair values were as follows:

	Year Ended December 31		
	2017	2016	2015
Expected volatility	29%	36%	35%
Expected dividend yield	1.51%	1.87%	1.82%
Risk-free interest rate	0.86%	0.25%	0.01%
Weighted average grant-date fair value per share	$ 9.95	$ 8.61	$ 8.62

Note 11. Income per Share

Basic income or loss per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted income or loss per share as their impact was antidilutive.

A reconciliation of the number of shares used for the basic and diluted income per share computations is as follows:

	Year Ended December 31		
Millions of shares	2017	2016	2015
Basic weighted average common shares outstanding	870	861	853
Dilutive effect of awards granted under our stock incentive plans	—	—	—
Diluted weighted average common shares outstanding	870	861	853
Antidilutive shares:			
Options with exercise price greater than the average market price	6	11	10
Options which are antidilutive due to net loss position	2	1	2
Total antidilutive shares	8	12	12

Note 12. Financial Instruments and Risk Management

At December 31, 2017, we held $106 million of investments in fixed income securities with maturities ranging from less than one year to November 2020, of which $69 million are classified as “Other current assets” and $37 million are classified as “Other assets” on our consolidated balance sheets. At December 31, 2016, we held $92 million of investments in fixed income securities. These securities consist primarily of corporate bonds and other debt instruments, are accounted for as available-for-sale and are recorded at fair value based on quoted prices for identical assets in less active markets, which are categorized within level 2 on the fair value hierarchy.

We have an interest-bearing promissory note with our primary customer in Venezuela. At December 31, 2017, the carrying amount of this note was $32 million compared to its par value of $175 million. At December 31, 2016, the carrying amount of this note was $70 million compared to its par value of $200 million. Fair market value was measured based on pricing data points for similar assets in an illiquid market and categorized within level 3 on the fair value hierarchy. We had been using an effective interest method to accrete the carrying amount to its par value as it matures with accretion income being recorded through “Interest expense, net of interest income” on our consolidated statements of operations. During the fourth quarter of 2017, we changed our accounting for our promissory note from held-to-maturity to available-for-sale and will no longer accrete the value of the note going forward. Instead, we are required to mark the note to its fair market value on a quarterly basis with any unrealized gains and losses included as a component of accumulated other comprehensive loss. See Note 3 for additional information about our promissory note from our primary customer in Venezuela.

The carrying amount of cash and equivalents, receivables and accounts payable, as reflected in the consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our total debt, including short-term borrowings and current maturities of long term debt, is as follows:

	December 31, 2017				December 31, 2016			
Millions of dollars	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Total debt	$ 3,285	$ 9,172	$ 12,457	$ 10,942	$ 753	$ 12,812	$ 13,565	$ 12,384

Our debt categorized within level 1 on the fair value hierarchy is calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our debt categorized within level 2 on the fair value hierarchy is calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from period-end and adjusting for changes in market conditions. Our total fair

value and carrying value of debt decreased in 2017 compared to 2016 primarily due to the early extinguishment of $1.4 billion of senior notes. Additionally, differences between the periods presented in our level 1 and level 2 classification of our long-term debt relate to the timing of when transactions are executed. We have no debt categorized within level 3 on the fair value hierarchy based on unobservable inputs.

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The fair value of our forward contracts, options and interest rate swaps was not material as of December 31, 2017 or December 31, 2016. The counterparties to our derivatives are primarily global commercial and investment banks.

Foreign currency exchange risk

We have operations in many international locations and are involved in transactions denominated in currencies other than the United States dollar, our functional currency, which exposes us to foreign currency exchange rate risk. Techniques in managing foreign currency exchange risk include, but are not limited to, foreign currency borrowing and investing and the use of currency exchange instruments. We attempt to selectively manage significant exposures to potential foreign currency exchange losses based on current market conditions, future operating activities and the associated cost in relation to the perceived risk of loss. The purpose of our foreign currency risk management activities is to minimize the risk that our cash flows from the purchase and sale of products and services in foreign currencies will be adversely affected by changes in exchange rates.

We use forward contracts and options to manage our exposure to fluctuations in the currencies of certain countries in which we do business internationally. These instruments are not treated as hedges for accounting purposes, generally have an expiration date of one year or less and are not exchange traded. While these instruments are subject to fluctuations in value, the fluctuations are generally offset by the value of the underlying exposures being managed. The use of some of these instruments may limit our ability to benefit from favorable fluctuations in foreign currency exchange rates.

Derivatives are not utilized to manage exposures in some currencies due primarily to the lack of available markets or cost considerations (non-traded currencies). We attempt to manage our working capital position to minimize foreign currency exposure in non-traded currencies and recognize that pricing for the services and products offered in these countries should account for the cost of exchange rate devaluations. We have historically incurred transaction losses in non-traded currencies.

The notional amounts of open foreign exchange derivatives were $633 million at December 31, 2017 and $603 million at December 31, 2016. The notional amounts of these instruments do not generally represent amounts exchanged by the parties, and thus are not a measure of our exposure or of the cash requirements related to these contracts. As such, cash flows related to these contracts are typically not material. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the contracts, such as exchange rates.

Interest rate risk

We are subject to interest rate risk on our existing long-term debt and some of our long-term investments in fixed income securities. Our short-term borrowings and short-term investments in fixed income securities do not give rise to significant interest rate risk due to their short-term nature. We had fixed rate long-term debt totaling $10.4 billion at December 31, 2017 and $12.2 billion at December 31, 2016. We also had $37 million of long-term investments in fixed income securities at December 31, 2017 with maturities that extend through November 2020.

We maintain an interest rate management strategy that is intended to mitigate the exposure to changes in interest rates in the aggregate for our debt portfolio. We use interest rate swaps to effectively convert a portion of our fixed rate debt to floating LIBOR-based rates. Our interest rate swaps, which expire when the underlying debt matures, are designated as fair value hedges of the underlying debt and are determined to be highly effective. These derivative instruments are marked to market with gains and losses recognized currently in interest expense to offset the respective gains and losses recognized on changes in the fair value of the hedged debt. During the first quarter of 2017, we terminated a series of our interest rate swaps with a notional amount of $1.4 billion in conjunction with our early redemption of senior notes. We included the gain from the swap termination in our calculation of early debt extinguishment costs. See Note 6 for further information. As of December 31, 2017, we had one remaining interest rate swap relating to one of our debt instruments with a total notional amount of $100 million. The fair value of our interest rate swaps as of December 31, 2017 and December 31, 2016 are included in "Other assets" in our consolidated balance sheets and were immaterial. The fair value of our interest rate swaps are categorized within level 2 on the fair value hierarchy and were determined using an income approach model with inputs, such as the notional amount, LIBOR rate spread and settlement terms that are observable in the market or can be derived from or corroborated by observable data.

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash equivalents, investments in fixed income securities, trade receivables and a promissory note we hold with our primary customer in Venezuela. It is our practice to place our cash equivalents and investments in fixed income securities in high quality investments with various institutions. Our revenue is generated from selling products and providing services to the energy industry. Our trade receivables are from a broad and diverse group of customers and are generally not collateralized. As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. As of December 31, 2016, 27% of our net trade receivables were from customers in the United States and 15% were from customers in Venezuela. We maintain an allowance for bad debts based upon several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. See Note 3 for further information.

We do not have any significant concentrations of credit risk with any individual counterparty to our derivative contracts. We select counterparties to those contracts based on our belief that each counterparty's profitability, balance sheet and capacity for timely payment of financial commitments is unlikely to be materially adversely affected by foreseeable events.

Note 13. Retirement Plans

Our company and subsidiaries have various plans that cover a significant number of our employees. These plans include defined contribution plans, defined benefit plans and other postretirement plans:

- our defined contribution plans provide retirement benefits in return for services rendered. These plans provide an individual account for each participant and have terms that specify how contributions to the participant's account are to be determined rather than the amount of pension benefits the participant is to receive. Contributions to these plans are based on pretax income and/or discretionary amounts determined on an annual basis. Our expense for the defined contribution plans for continuing operations totaled $173 million in 2017, $111 million in 2016 and $288 million in 2015. The increase in 2017 resulted from an increase in the domestic workforce and the reinstatement of discretionary contributions in 2017.
- our defined benefit plans, which include both funded and unfunded pension plans, define an amount of pension benefit to be provided, usually as a function of age, years of service and/or compensation. The unfunded obligations and net periodic benefit cost of our United States defined benefit plans were not material for the periods presented; and
- our postretirement plans other than pensions are offered to specific eligible employees. The accumulated benefit obligations and net periodic benefit cost for these plans were not material for the periods presented.

Funded status

For our international pension plans, at December 31, 2017, the projected benefit obligation was $1.2 billion and the fair value of plan assets was $940 million, which resulted in an unfunded obligation of $280 million. At December 31, 2016, the projected benefit obligation was $1.1 billion and the fair value of plan assets was $865 million, which resulted in an unfunded obligation of $241 million. The accumulated benefit obligation was approximately the same as the projected benefit obligation for our international plans in both years presented.

The following table presents additional information about our international pension plans.

Millions of dollars	December 31 2017	2016
Amounts recognized on the Consolidated Balance Sheets		
Accrued employee compensation and benefits	$ 15	$ 16
Employee compensation and benefits	267	227
Pension plans in which projected benefit obligation exceeded plan assets		
Projected benefit obligation	$ 1,202	$ 1,083
Fair value of plan assets	920	840
Pension plans in which accumulated benefit obligation exceeded plan assets		
Accumulated benefit obligation	$ 1,139	$ 1,037
Fair value of plan assets	920	840

Fair value measurements of plan assets

The fair value of our plan assets categorized within level 1 on the fair value hierarchy is based on quoted prices in active markets for identical assets. The fair value of our plan assets categorized within level 2 on the fair value hierarchy is based on significant observable inputs for similar assets. The fair value of our plan assets categorized within level 3 on the fair value hierarchy is based on significant unobservable inputs.

The following table sets forth the fair values of assets held by our international pension plans by level within the fair value hierarchy.

Millions of dollars	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ —	$ 11	$ —	$ 11
Common/collective trust funds (a)				
Equity funds (b)	—	204	—	204
Bond funds (c)	—	323	46	369
Alternatives funds (d)	—	184	—	184
Real estate funds (e)	—	98	28	126
Other assets	7	22	17	46
Fair value of plan assets at December 31, 2017	$ 7	$ 842	$ 91	$ 940
Cash and equivalents	$ —	$ 49	$ —	$ 49
Common/collective trust funds (a)				
Equity funds (b)	—	197	—	197
Bond funds (c)	—	232	44	276
Alternatives fund (d)	—	221	—	221
Real estate funds (e)	—	36	35	71
Other assets	5	20	26	51
Fair value of plan assets at December 31, 2016	$ 5	$ 755	$ 105	$ 865

(a) Common/collective trust funds are valued at the net asset value of units held by the plans at year-end.
(b) Strategy is to invest in diversified funds of global common stocks.
(c) Strategy is to invest in diversified funds of fixed income securities of varying geographies and credit quality and whose cash flows approximate the maturities of the benefit obligation.
(d) Strategy is to invest in a fund of diversifying investments, including but not limited to reinsurance, commodities and currencies.
(e) Strategy is to invest in diversified funds of real estate investment trusts and private real estate.

Our investment strategy varies by country depending on the circumstances of the underlying plan. Risk management practices include diversification by issuer, industry and geography, as well as the use of multiple asset classes and investment managers within each asset class. Our investment strategy for our United Kingdom pension plan, which constituted 84% of our international pension plans' projected benefit obligation at December 31, 2017 and is no longer accruing service benefits, aims to achieve full funding of the benefit obligation, with the plan's assets increasingly composed of investments whose cash flows match the maturities of the obligation.

Net periodic benefit cost

Net periodic benefit cost for our international pension plans was $30 million in 2017, $30 million in 2016 and $42 million in 2015. Included in net periodic benefit cost were $13 million in 2017 and $8 million in 2016 of net curtailment and settlement cost arising from reductions in workforce during these years.

Actuarial assumptions

Certain weighted-average actuarial assumptions used to determine benefit obligations of our international pension plans at December 31 were as follows:

	2017	2016
Discount rate	2.8%	2.9%
Rate of compensation increase	5.5%	4.8%

Certain weighted-average actuarial assumptions used to determine net periodic benefit cost of our international pension plans for the years ended December 31 were as follows:

	2017	2016	2015
Discount rate	2.9%	4.2%	4.1%
Expected long-term return on plan assets	4.2%	5.3%	5.9%
Rate of compensation increase	4.8%	5.4%	5.3%

Assumed long-term rates of return on plan assets, discount rates for estimating benefit obligations and rates of compensation increases vary by plan according to local economic conditions. Where possible, discount rates were determined based on the prevailing market rates of a portfolio of high-quality debt instruments with maturities matching the expected timing of the payment of the benefit obligations. Expected long-term rates of return on plan assets were determined based upon an evaluation of our plan assets and historical trends and experience, taking into account current and expected market conditions.

Other information

Contributions. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In certain countries the funding requirements are mandatory, while in other countries they are discretionary. We currently expect to contribute $17 million to our international pension plans in 2018.

Benefit payments. Expected benefit payments over the next 10 years for our international pension plans are as follows: $68 million in 2018, $61 million in 2019, $63 million in 2020, $67 million in 2021, $72 million in 2022 and $424 million in years 2023 through 2027.

Note 14. New Accounting Pronouncements

Standards adopted in 2017

Stock-Based Compensation

On January 1, 2017, we adopted an accounting standards update issued by the Financial Accounting Standards Board (FASB) which simplifies several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and the classification on the statement of cash flows. In addition, the update allows an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. The element of the update that has the most impact on our financial statements is income tax consequences. Excess tax benefits and tax deficiencies on stock-based compensation awards are now included in our tax provision within our consolidated statement of operations as discrete items in the reporting period in which they occur, rather than previous accounting of recording in additional paid-in capital on our consolidated balance sheets. We have also elected to continue our current policy of estimating forfeitures of stock-based compensation awards at the time of grant and revising in subsequent periods to reflect actual forfeitures. We applied the update prospectively beginning January 1, 2017, and the adoption did not have a material impact on our consolidated financial statements.

Intra-Entity Transfers of Assets

On January 1, 2017, we adopted an accounting standards update issued by the FASB to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. The update requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, rather than the previous requirement to defer recognition of current and deferred income taxes for an intra-entity asset transfer until the asset had been sold to an outside party. Two common examples of assets included in the scope of this update are intellectual property and property, plant and equipment. The update was applied on a modified retrospective basis resulting in a cumulative-effect adjustment of $384 million recorded directly to retained earnings as of January 1, 2017.

Inventory

On January 1, 2017, we adopted an accounting standards update issued by the FASB which simplifies the measurement of inventory. The update now requires inventory measured using the first in, first out or average cost methods to be subsequently measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal and transportation. The update eliminated the requirement to subsequently measure inventory at the lower of cost or market, which could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. The adoption of this update did not impact our consolidated financial statements.

Standards not yet adopted

Revenue Recognition

In May 2014, the FASB issued a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance under U.S. GAAP. The core principle of the new guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard creates a five step model that requires companies to exercise judgment when considering the terms of a contract and all relevant facts and circumstances. The standard allows for several transition methods: (a) a full retrospective adoption in which the standard is applied to all of the periods presented, or (b) a modified retrospective adoption in which the standard is applied only to the most current period presented in the financial statements with a cumulative-effect adjustment reflected in retained earnings. The standard also requires expanded disclosures regarding the qualitative and quantitative information of an entity's nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This new revenue recognition standard will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period.

We performed a detailed review of our contract portfolio representative of our different businesses and compared historical accounting policies and practices to the new standard. Because the standard will impact our business processes, systems and controls, we also developed a comprehensive change management project plan to guide the implementation. Over the course of 2017, we have conducted training sessions for those in our global organization that will be impacted by the new standard and have developed a web-based training course providing a detailed overview of the key changes within the new standard. Our services are primarily short-term in nature, and we do not expect the new revenue recognition standard to have a material impact on our financial statements. We adopted the new standard effective January 1, 2018 utilizing the modified retrospective method. The cumulative-effect adjustment to retained earnings upon adoption is not material.

Leases

In February 2016, the FASB issued an accounting standards update related to accounting for leases, which requires the assets and liabilities that arise from leases to be recognized on the balance sheet. Currently only capital leases are recorded on the balance sheet. This update will require the lessee to recognize a lease liability equal to the present value of the lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and recognize the lease expense for such leases generally on a straight-line basis over the lease term. The new lease standard will be effective for fiscal periods beginning after December 15, 2018, including interim periods within that reporting period. We are currently evaluating the impact that this update will have on our consolidated financial statements.

HALLIBURTON COMPANY
Selected Financial Data
(Unaudited)

	Year ended December 31				
Millions of dollars except per share	2017	2016	2015	2014	2013
Revenue	$ 20,620	$ 15,887	$ 23,633	$ 32,870	$ 29,402
Operating income (loss)	1,362	(6,778)	(165)	5,097	3,138
Income (loss) from continuing operations	(449)	(5,767)	(662)	3,437	2,116
Basic income (loss) per share from continuing operations	(0.51)	(6.69)	(0.78)	4.05	2.35
Diluted income (loss) per share from continuing operations	(0.51)	(6.69)	(0.78)	4.03	2.33
Cash dividends per share	0.72	0.72	0.72	0.63	0.525
Net working capital	5,915	7,654	14,733	8,781	8,678
Total assets	25,085	27,000	36,942	32,165	29,223
Long-term debt	10,430	12,214	14,687	7,765	7,816
Total shareholders' equity	8,349	9,448	15,495	16,298	13,615
Capital expenditures	1,373	798	2,184	3,283	2,934

HALLIBURTON COMPANY
Quarterly Data and Market Price Information
(Unaudited)

Millions of dollars except per share data	Quarter First	Quarter Second	Quarter Third	Quarter Fourth	Year
2017					
Revenue	$ 4,279	$ 4,957	$ 5,444	$ 5,940	$ 20,620
Operating income	203	146	634	379	1,362
Net income (loss)	(32)	28	361	(825)	(468)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(32)	28	365	(805)	(444)
Loss from discontinued operations	—	—	—	(19)	(19)
Net income (loss) attributable to company	(32)	28	365	(824)	(463)
Basic and diluted per share attributable to company shareholders:					
Income (loss) from continuing operations	(0.04)	0.03	0.42	(0.92)	(0.51)
Loss from discontinued operations	—	—	—	(0.02)	(0.02)
Net income (loss)	(0.04)	0.03	0.42	(0.94)	(0.53)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
Common stock prices (1)					
High	58.78	51.26	46.18	49.29	58.78
Low	47.52	41.36	38.18	40.72	38.18
2016					
Revenue	$ 4,198	$ 3,835	$ 3,833	$ 4,021	$ 15,887
Operating income (loss)	(3,079)	(3,880)	128	53	(6,778)
Net income (loss)	(2,418)	(3,205)	7	(153)	(5,769)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(2,410)	(3,208)	6	(149)	(5,761)
Loss from discontinued operations	(2)	—	—	—	(2)
Net income (loss) attributable to company	(2,412)	(3,208)	6	(149)	(5,763)
Basic and diluted net income (loss) per share	(2.81)	(3.73)	0.01	(0.17)	(6.69)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
Common stock prices (1)					
High	36.74	46.69	46.90	56.08	56.08
Low	27.64	33.26	40.12	44.23	27.64

Note: Results for the fourth quarter of 2017 include charges for U.S. tax reform and Venezuela receivables. See Note 8 and Note 3 for further information. Results for 2016 include merger-related costs and termination fee and impairments and other charges.

(1) New York Stock Exchange – composite transactions high and low intraday price.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required for the directors of the Registrant is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the captions “Election of Directors” and “Involvement in Certain Legal Proceedings.” The information required for the executive officers of the Registrant is included under Part I on pages 5 through 6 of this annual report. The information required for a delinquent form required under Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Section 16(a) Beneficial Ownership Reporting Compliance,” to the extent any disclosure is required. The information for our code of ethics is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Corporate Governance.” The information regarding our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “The Board of Directors and Standing Committees of Directors.”

Item 11. Executive Compensation.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the captions “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Summary Compensation Table,” “Grants of Plan-Based Awards in Fiscal 2017,” “Outstanding Equity Awards at Fiscal Year End 2017,” “2017 Option Exercises and Stock Vested,” “2017 Nonqualified Deferred Compensation,” “Employment Contracts and Change-in-Control Arrangements,” “Post-Termination or Change-in-Control Payments,” “Equity Compensation Plan Information” and “Directors’ Compensation.”

Item 12(a). Security Ownership of Certain Beneficial Owners.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(b). Security Ownership of Management.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(c). Changes in Control.

Not applicable.

Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Equity Compensation Plan Information.”

Item 13. Certain Relationships and Related Transactions, and Director Independence.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Corporate Governance” to the extent any disclosure is required and under the caption “The Board of Directors and Standing Committees of Directors.”

Item 14. Principal Accounting Fees and Services.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Fees Paid to KPMG LLP.”

PART IV

Item 15. Exhibits.

1. Financial Statements:

   The reports of the Independent Registered Public Accounting Firm and the financial statements of Halliburton Company as required by Part II, Item 8, are included on pages 38 through 40 and pages 41 through 66 of this annual report. See index on page (i).

2. Financial Statement Schedules:

   The schedules listed in Rule 5-04 of Regulation S-X (17 CFR 210.5-04) have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits:

Exhibit Number	Exhibits
3.1	Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on May 30, 2006 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed June 5, 2006, File No. 001-03492).
3.2	By-laws of Halliburton Company revised effective December 7, 2017 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
4.1	Form of debt security of 8.75% Debentures due February 12, 2021 (incorporated by reference to Exhibit 4(a) to the Form 8-K of Halliburton Company, now known as Halliburton Energy Services, Inc. (the Predecessor), dated as of February 20, 1991, File No. 001-03492).
4.2	Senior Indenture dated as of January 2, 1991 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4(b) to the Predecessor's Registration Statement on Form S-3 (Registration No. 33-38394) originally filed with the Securities and Exchange Commission on December 21, 1990), as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996 among the Predecessor, Halliburton and the Trustee (incorporated by reference to Exhibit 4.1 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.3	Resolutions of the Predecessor's Board of Directors adopted at a meeting held on February 11, 1991 and of the special pricing committee of the Board of Directors of the Predecessor adopted at a meeting held on February 11, 1991 and the special pricing committee's consent in lieu of meeting dated February 12, 1991 (incorporated by reference to Exhibit 4(c) to the Predecessor's Form 8-K dated as of February 20, 1991, File No. 001-03492).
4.4	Second Senior Indenture dated as of December 1, 1996 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, as supplemented and amended by the First Supplemental Indenture dated as of December 5, 1996 between the Predecessor and the Trustee and the Second Supplemental Indenture dated as of December 12, 1996 among the Predecessor, Halliburton and the Trustee (incorporated by reference to Exhibit 4.2 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.5	Third Supplemental Indenture dated as of August 1, 1997 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.7 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).

4.6	Fourth Supplemental Indenture dated as of September 29, 1998 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.8 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).
4.7	Resolutions of Halliburton's Board of Directors adopted by unanimous consent dated December 5, 1996 (incorporated by reference to Exhibit 4(g) of Halliburton's Form 10-K for the year ended December 31, 1996, File No. 001-03492).
4.8	Form of debt security of 6.75% Notes due February 1, 2027 (incorporated by reference to Exhibit 4.1 to Halliburton's Form 8-K dated as of February 11, 1997, File No. 001-03492).
4.9	Copies of instruments that define the rights of holders of miscellaneous long-term notes of Halliburton Company and its subsidiaries have not been filed with the Commission. Halliburton Company agrees to furnish copies of these instruments upon request.
4.10	Form of Indenture dated as of April 18, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4 to Dresser's Registration Statement on Form S-3/A filed on April 19, 1996, Registration No. 333-01303), as supplemented and amended by Form of First Supplemental Indenture dated as of August 6, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), Trustee, for 7.60% Debentures due 2096 (incorporated by reference to Exhibit 4.1 to Dresser's Form 8-K filed on August 9, 1996, File No. 1-4003).
4.11	Second Supplemental Indenture dated as of October 27, 2003 between DII Industries, LLC and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996 (incorporated by reference to Exhibit 4.15 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.12	Third Supplemental Indenture dated as of December 12, 2003 among DII Industries, LLC, Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996, (incorporated by reference to Exhibit 4.16 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.13	Indenture dated as of October 17, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee (incorporated by reference to Exhibit 4.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2003, File No. 001-03492).
4.14	Second Supplemental Indenture dated as of December 15, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.27 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.15	Form of note of 7.6% debentures due 2096 (included as Exhibit A to Exhibit 4.14 above).
4.16	Fourth Supplemental Indenture, dated as of September 12, 2008, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed September 12, 2008, File No. 001-03492).
4.17	Form of Global Note for Halliburton's 6.70% Senior Notes due 2038 (included as part of Exhibit 4.16).
4.18	Fifth Supplemental Indenture, dated as of March 13, 2009, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed March 13, 2009, File No. 001-03492).

4.19 Form of Global Note for Halliburton's 7.45% Senior Notes due 2039 (included as part of Exhibit 4.18).

4.20 Sixth Supplemental Indenture, dated as of November 14, 2011, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed November 14, 2011, File No. 001-03492).

4.21 Form of Global Note for Halliburton's 3.25% Senior Notes due 2021 (included as part of Exhibit 4.20).

4.22 Form of Global Note for Halliburton's 4.50% Senior Notes due 2041 (included as part of Exhibit 4.20).

4.23 Seventh Supplemental Indenture, dated as of August 5, 2013, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 of Halliburton's Form 8-K filed August 5, 2013, File No. 001-03492).

4.24 Form of Global Note for Halliburton's 2.00% Senior Notes due 2018 (included as part of Exhibit 4.23).

4.25 Form of Global Note for Halliburton's 3.50% Senior Notes due 2023 (included as part of Exhibit 4.23).

4.26 Form of Global Note for Halliburton's 4.75% Senior Notes due 2043 (included as part of Exhibit 4.23).

4.27 Eighth Supplemental Indenture, dated as of November 13, 2015, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed November 13, 2015, File No. 001-03492).

4.28 Form of Global Note for Halliburton's 3.800% Senior Notes due 2025 (included as part of Exhibit 4.27).

4.29 Form of Global Note for Halliburton's 4.850% Senior Notes due 2035 (included as part of Exhibit 4.27).

4.30 Form of Global Note for Halliburton's 5.000% Senior Notes due 2045 (included as part of Exhibit 4.27).

† 10.1 Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Appendix B of the Predecessor's proxy statement dated March 23, 1993, File No. 001-03492).

† 10.2 Dresser Industries, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2000 (incorporated by reference to Exhibit 10.16 to Halliburton's Form 10-K for the year ended December 31, 2000, File No. 001-03492).

† 10.3 ERISA Excess Benefit Plan for Dresser Industries, Inc., as amended and restated effective June 1, 1995 (incorporated by reference to Exhibit 10.7 to Dresser's Form 10-K for the year ended October 31, 1995, File No. 1-4003).

10.4 Form of Indemnification Agreement for Officers (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed August 3, 2007, File No. 001-03492).

10.5 Form of Indemnification Agreement for Directors (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed August 3, 2007, File No. 001-03492).

	10.6	Form of Indemnification Agreement for Officers (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
	10.7	Form of Indemnification Agreement for Directors (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.1 of Halliburton's Form 8-K filed March 22, 2013, File No. 001-03492).
†	10.8	2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.9	Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.10	Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.11	Halliburton Company Pension Equalizer Plan, as amended and restated effective March 1, 2007 (incorporated by reference to Exhibit 10.8 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.12	Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective as of May 16, 2012 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.13	Retirement Plan for the Directors of Halliburton Company, as amended and restated effective July 1, 2007 (incorporated by reference to Exhibit 10.10 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.14	Halliburton Company Employee Stock Purchase Plan, as amended and restated effective February 24, 2015 (incorporated by reference to Appendix C of Halliburton's proxy statement filed April 7, 2015, File No. 001-03492).
†	10.15	First Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.16	Amendment No. 1 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.17	Amendment No. 1 to 2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.41 to Halliburton's Form 10-K for the year ended December 31, 2010, File No. 001-03492).
	10.18	U.S. $3,000,000,000 Five Year Revolving Credit Agreement among Halliburton Company, as Borrower, the Banks party thereto, and Citibank, N.A., as Agent, effective July 21, 2015 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended June 30, 2015, File No. 001-03492).
†	10.19	First Amendment to the Retirement Plan for the Directors of Halliburton Company, effective September 1, 2007 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended March 31, 2011, File No. 001-03492).

†	10.20	First Amendment to Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.41 to Halliburton’s Form 10-K for the year ended December 31, 2011, File No. 001-03492).
†	10.21	Second Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.22	Third Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company effective December 1, 2012 (incorporated by reference to Exhibit 10.44 to Halliburton’s Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.23	First Amendment dated December 1, 2012 to Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective May 16, 2012 (incorporated by reference to Exhibit 10.45 to Halliburton’s Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.24	Executive Agreement (Myrtle L. Jones) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
†	10.25	Executive Agreement (Timothy McKeon) (incorporated by reference to Exhibit 10.49 to Halliburton’s Form 10-K filed February 7, 2014, File No. 001-03492).
†	10.26	Executive Agreement (Charles E. Geer, Jr.) (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 8-K filed December 9, 2014, File No. 001-03492).
	10.27	HESI Punitive Damages and Assigned Claims Settlement Agreement dated September 2, 2014, entered into between Halliburton Company and Halliburton Energy Services, Inc. and counsel for The Plaintiffs Steering Committee in MDL 2179 and the Deepwater Horizon Economic and Property Damages Settlement Class (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2014, File No. 001-03492).
†	10.28	Form of Non-Employee Director Restricted Stock Agreement (Directors Plan) (incorporated by reference as Exhibit 99.5 of Halliburton's Form S-8 filed May 21, 2009, Registration No. 333-159394).
†	10.29	Form of Non-Employee Director Restricted Stock Agreement (Stock and Incentive Plan) (incorporated by reference to Exhibit 10.43 to Halliburton's Form 10-K for the year ended December 31, 2011, Registration No. 001-03492).
	10.30	Termination Agreement, dated as of April 30, 2016, between the Company and Baker Hughes (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 8-K filed May 4, 2016, File No. 001-03492).
†	10.31	Amendment No. 2 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.32	Second Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.33	Executive Agreement (Joe D. Rainey) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
†	10.34	Executive Agreement (Anne Lyn Beaty) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q filed April 28, 2017, File No. 001-03492).

†	10.35	Executive Agreement (David J. Lesar) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed May 23, 2017, File No. 001-03492).
†	10.36	Executive Agreement (James S. Brown) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed May 23, 2017, File No. 001-03492).
†	10.37	Executive Agreement (Jeffrey A. Miller) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed June 5, 2017, File No. 001-03492).
†	10.38	Halliburton Company Stock and Incentive Plan, as amended and restated effective February 8, 2017 (incorporated by reference to Appendix B of Halliburton's proxy statement filed April 7, 2017, File No. 001-03492).
†	10.39	Form of Nonstatutory Stock Option Agreement (U.S.) (incorporated by reference as Exhibit 99.2 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.40	Form of Nonstatutory Stock Option Agreement (International) (incorporated by reference as Exhibit 99.3 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.41	Form of Restricted Stock Agreement (incorporated by reference as Exhibit 99.4 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.42	Form of Restricted Stock Unit Agreement (International) (incorporated by reference as Exhibit 99.5 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.43	Form of Restricted Stock Unit Agreement (U.S. Expat) (incorporated by reference as Exhibit 99.6 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.44	Executive Agreement (Christopher T. Weber) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed June 13, 2017, File No. 001-03492).
†	10.45	Form of Non-Management Director Restricted Stock Unit Agreement (Stock and Incentive Plan) (incorporated by reference as Exhibit 10.1 of Halliburton's Form 10-Q filed October 27, 2017, File No. 001-03492).
*†	10.46	Executive Agreement (Eric J. Carre).
*†	10.47	Executive Agreement (Lawrence J. Pope).
*†	10.48	Executive Agreement (Robb L. Voyles).
*	12.1	Statement of Computation of Ratio of Earnings to Fixed Charges.
*	21.1	Subsidiaries of the Registrant.
*	23.1	Consent of KPMG LLP.
*	24.1	Powers of attorney for the following directors signed in January 2018: Abdulaziz F. Al Khayyal William E. Albrecht

Alan M. Bennett
James R. Boyd
Milton Carroll
Nance K. Dicciani
Murry S. Gerber
José C. Grubisich
David J. Lesar
Robert A. Malone
J. Landis Martin
Debra L. Reed

*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures.
*	101.INS	XBRL Instance Document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed with this Form 10-K.
** Furnished with this Form 10-K.
† Management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary.
None.

SIGNATURES

As required by Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on its behalf by the undersigned authorized individuals on this 9th day of February, 2018.

HALLIBURTON COMPANY

By /s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer

As required by the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated on this 9th day of February, 2018.

Signature	Title
/s/ Jeffrey A. Miller Jeffrey A. Miller	President, Director and Chief Executive Officer
/s/ Christopher T. Weber Christopher T. Weber	Executive Vice President and Chief Financial Officer
/s/ Charles E. Geer, Jr. Charles E. Geer, Jr.	Vice President and Corporate Controller

Signature	Title
* Abdulaziz F. Al Khayyal Abdulaziz F. Al Khayyal	Director
* William E. Albrecht William E. Albrecht	Director
* Alan M. Bennett Alan M. Bennett	Director
* James R. Boyd James R. Boyd	Director
* Milton Carroll Milton Carroll	Director
* Nance K. Dicciani Nance K. Dicciani	Director
* Murry S. Gerber Murry S. Gerber	Director
* José C. Grubisich José C. Grubisich	Director
* David J. Lesar David J. Lesar	Executive Chairman of the Board and Director
* Robert A. Malone Robert A. Malone	Director
* J. Landis Martin J. Landis Martin	Director
* Debra L. Reed Debra L. Reed	Director

/s/ Robb L. Voyles
*By Robb L. Voyles, Attorney-in-fact

Directions to the Halliburton Annual Meeting of Stockholders

The Halliburton North Belt Facility is located on the North Sam Houston Parkway (Beltway 8 Tollway) south feeder between Aldine Westfield and JFK Boulevard.

3000 N. Sam Houston Parkway East
Houston, Texas 77032
281-871-4000

From I-45	From I-69 / US 59 and IAH
• Take the Sam Houston Parkway East • Exit JFK Blvd	• Take the Sam Houston Parkway West • Exit Aldine Westfield • “U-Turn” at Aldine Westfield and proceed east on the Sam Houston Parkway feeder

The main entrance to the North Belt facility will be on your right, about halfway between Aldine Westfield and JFK Blvd.

HALLIBURTON

281.871.2699
www.halliburton.com